HYDRO ELECTRIC ENQUIRY COMMISSION

RE SANDWICH WINDSOR AND AMHERSTBURG ELECTRIC RAILWAY

WINDSOR, JANUARY 1923.

W. C. Coo,
Official Reporter

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HYDRO ELECTRIC INQUIRY COMMISSION.

INDEX.

HYDRO ELECTRIC MUNICIPALITIES.

I N D E X.

INDEX (Cont'd.)

I N D E X (Cont'd.)

T.

INDEX (Cont'd.)

I N D E X (Concld.)

INDEX (Cont'd.)

I N D E X (Cont'd.)

INDEX (Cont'd.)

INDEX (Cont'd.)

INDEX (Cont'd.)

INDEX (Cont'd.)

I N D E X (Cont'd.)

I N D E X (Cont'd.)

THE HYDRO ELECTRIC INQUIRY COMMISSION.

Windsor, January 11th, 1923.

RE THE SANDWICH, WINDSOR AND AMHERSTBURG ELECTRIC RAILWAY.

P r e s e n t:

W.D.GREGORY, Esq., Chairman,
M.J.HANEY, Esq., Commissioner,
LLOYD HARRIS, Esq., Commissioner,
J.A.ROSS, Esq., Commissioner,
R.A.ROSS, Esq., Commissioner.

Sir ADAM BECK,
F.A.GABY, Esq.,
T.U.Fairlie,
R.T.Jeffrey, representing Hydro Electric Power Commission.

Reported by William C.Coo, C.S.R.

THE CHAIRMAN: Gentlemen: This Commission of which we are members was appointed by the Ontario Government, amongst other things to inquire into the expenditure and administration of the Hydro Electric Power Commission of Ontario, and we are here today for the purpose of hearing any one who wishes to be heard regarding the undertaking of the construction and administration of this railway under their charge. Some gentlemen have intimated to us their desire to be heard, but we are not confining it to anyone we wish to hear - everyone who desires to be heard, whether he has been previously in communication with us or

If any of you desire to be heard during the course of the inquiry, if you will speak to Mr. Latimer or any of us, you will have an opportunity of being heard.

We will begin our inquiry by hearing Mr. Bonthron of the firm of Price, Waterhouse & Company who are accountants for us and who have gone through the accounts in connection with the railway. We will hear from him as to that.

W.D.BONTHRON.

TO THE CHAIRMAN:

Q. Mr. Bonthron, what undertakings has the Hydro Electric Power Commission in this locality? A. The Sandwich, Windsor & Amherstburg Railway and the Essex System which is the local electric lighting distribution system.

Q. Where are the railways located? A. These lines serve the City of Windsor, Walkerville, Sandwich and Amherstburg with street railway service.

Q. Do you know the length? A. The Sandwich & Windsor Railway starts at Windsor with a freight line extending east to Walkerville, runs south a distance of 17.7 miles to the southern terminus in the Town of Amherstburg. There are also divisions in the City of Windsor the length of which I do not know, and then there is the Windsor & Tecumseh Electric Railway starting at Windsor and extending easterly a distance of 9.72 miles through Walkerville, Ford City to the terminus in the village of Tecumseh.

Q. By what corporation were these railways owned prior to their acquisition by the Hydro Electric Power Commission? A. The ownership of the property was in the Sandwich, Windsor & Amherstburg which in turn was entirely owned by

the Detroit United Railway.

Q. When were they acquired by the Hydro? A. As of April 1st 1920.

Q. Were they acquired by arbitration or were they acquired by purchase in the ordinary way? A. They were acquired in the ordinary way by negotiation as to price between the Hydro Electric Power Commission and the Detroit United Railway.

Q. How did the Hydro Electric Power Commission come to take the matter up? A. In the first place the municipal councils of the City of Windsor, Town of Sandwich, Ford City, Walkerville, Amherstburg and the Township of Anderdon passed resolutions addressed to the Hydro Electric Power Commission expressing their wish that the Commission would look into the feasibility of acquiring these lines and operating them for their account, and expressing the desire that it would be an advisable thing for them to do. Following that, on April 17th, 1919, representatives of these municipalities and the Townships of Sandwich East and West and the Town of Ojibway assembled at Windsor and passed a resolution requesting an investigation of the values of these lines by the Hydro Electric Power Commission, and further to negotiate for the purchase of these lines and to furnish them also with an estimate of the probable earnings under present conditions and under improved conditions. Subsequently, resolutions were passed by these municipalities and forwarded to the Hydro Electric Power Commission, and under authority of these and of an Order-in-Council previously passed on August 31st, 1916, the investigation was made by engineers for the Hydro Electric Power

Commission. Each of these municipalities then submitted a proposition to the ratepayers of the municipalities for the prospective purchase which had been approved by Order-in-Council dated September 16th, 1919. These bylaws were submitted on December 6th, 1919, for the purpose of obtaining authorization for the municipal council to enter into an agreement with the Hydro Electric Power Commission. These elections resulted in the passing of all the bylaws except the one submitted to the electors in the municipality of Anderdon, on January 27th, 1920.

Q. Did Anderdon ever pass a bylaw? A. No, Sir, they have never as yet.

TO COMMISSIONER HARRIS:

Q. What was the populationof Anderdon? A. I do not know, but I can inform you as to their proportion The assessment amounted to, on January 27th, 1920, previous to the passing of the Order-in-Council authorizing the Provincial Treasurer to guarantee the necessary bonds, and that Order-in-Council was necessarily amended by Order-in-Council on April 27th, 1921, for the reason that the specific amount and description of the bonds had not been contained in the original Order-in-Council. The total purchase price agreed upon was $2,039,000.

Q. When was this? A. April 1st, 1920.

Q. That is the date the properties were taken over?

A. That is the date asto which the properties were taken over for operation on account of the municipalities. It was the date as to which the debentures issued in payment of the property were dated.

TO THE CHAIRMAN:

Q. It is not the date the amount of the purchase price was agreed on? A. No, that was agreed on at a date prior tothe date in December, 1919, when these bylaws were submitted to the electors.

Q. Had it been agreed on prior to the bylaws being submitted? A. It is my understanding that he had been.

TO COMMISSIONER HARRIS:

Q. Was the amount of $2,039,000 fixed in the bylaw or mentioned in the bylaws submitted tothe electors?

THE CHAIRMAN: Do you know, Mr. Jeffrey?

MR. JEFFREY: I could not tell you.

MR. BRIAN: The total amount was shown in the bylaw and also the amount which the municipality was responsible for.

THE CHAIRMAN: Then the total amount each municipality was responsible for would make up the total of the price?

MR. BRIAN: Yes.

COMMISSIONER HARRIS: Was the apportion fixed of each municipality?

MR. BRIAN: The proportion was arrived at.

Q. Was the consideration ever mentioned when these bylaws were submitted to the electors?

MR. BRIAN: It is stated in the bylaw how much Windsor had to pay - seven hundred and some thousand dollars.

THE CHAIRMAN: Do you know if the actual amount of the purchase price was stated in the bylaw submitted to the electors of the different municipalities, Mr. Guilfoyle?

MR.GUILFOYLE: I do not,Sir.

THE CHAIRMAN: Do you know,Mr.Fairlie, if the actual amount of the purchase price was mentioned in the bylaws submitted to the different municipalities?

MR.FAIRLIE: Yes,it was,$2,039,000.

Q. Are you sure of that? A. I think so.

Q. What was the price,Mr.Bonthron?

MR.BONTHRON: The price agreed on was $2,039,000.

Q. Was that to be paid in cash? A. No,Sir,it was paid in 4½% forty year debentures of the Hydro Electric Power Commission of the same amount, $2,039,000.

Q. Then did the municipalities each assume a certain proportionof these bonds? A. Yes.

Q. Each assumed liability for them? A. Yes.

Q. The bonds were issued by the Hydro Electric Power Commission and guaranteed by the Government of Ontario?

A. Yes,and the Hydro Electric Power Commission received as collateral security for the issuance of these bonds, debentures of the individual municipalities which in the aggregate amounted to $2,039,000. Of this the City of

Windsor deposited with the Commission	$745,132.
Town of Sandwich	262,173
Township of Sandwich East	260,685.
Township of Sandwich West	251,570
Town of Walkerville	200,940
Town of Amherstburg	126,867
Ford City	64,583
Ojibway	44,515
Making a total of	~~195,464.~~ $1,956,464.

That was intended to be deposited by these municipalities

under the original apportionment of the $2,039,000. The apportionment included Anderdon $143,536. Since this bylaw was not passed by Anderdon, it was necessary to make an apportionment of this amount that Anderdon should have borne among the other municipalities which did make the guarantee.

Q. They assumed Anderdon's share? A. Yes, in amounts ranging from $54,667 in the case of Windsor, to $19,125 in the case of Sandwich East; $18,456 for Sandwich West; Ford City, $4,738; Walkerville, $14,742; Sandwich, $19,234; Amherstburg, $9,308; Ojibway, $3,266.

Q. At the time this property was purchased were there any encumbrances upon it? A. Yes, there was a trust mortgage of the Sandwich, Windsor & Amherstburg Company, dated December 1st, 1902, for $600,000 of 4½% bonds, due December 1st 1922. There was also a mortgage of the Windsor and Tecumseh Railway, dated December 2nd, 1907, for $300,000, authorized, and of which there was issued $189,000 of 5% bonds, due on September 2nd, 1927. At that time there was an outstanding total of $789,000 par value of first mortgage bonds against the property.

Q. Were these held by the public generally or by one or more individuals or corporations? A. They were held by the public generally with the exception that I know 110,000 of them were in the treasury of the Detroit United Railway, that is, of the $600,000.

Q. Were they secured by mortgages upon the property?

A. Yes, the $600,000 issue or first mortgage on the Sandwich, Windsor & Amherstburg, and the $189,000 issue were a first on the Windsor & Tecumseh Electric Railway.

Q. When this property was bought were the bonds assumed or were they paid off? A. No,Sir,they were left outstanding,and instead of paying over to the vendor of the property,the Detroit United Railway,the total of $2,039,000,there was delivered at the date the properties were taken over,April 1st,1920,only $1,250,000 of the Hydro debentures. The balance of $789,000 of these debentures were deposited with the National Trust Company in Toronto to be held until such time as the first mortgage bonds were paid off; then they were to be delivered to the vendor.

Q. They have been paid off? A. The total of the $600,000 first mortgage bonds of the Sandwich,Windsor & Amherstburg, Due December 1st,1922, has been paid so that today there are only $189,000 of mortgage bonds as a first lien against this property,and that applies only to the Windsor & Tecumseh Electric Railway.

Q. Did the amount you mentioned comprise the entire purchase price paid for the property? A. There was some little additional paid in the way of inventory that was acquired; $17,101.22 was paid in cash for materials and supplies in the inventory.

Q. That was over and above the $2,039,000? A. Yes.

Q. Was that all? A. Yes,that is all.

Q. Did the property taken over include anything but street railway property? A. Yes,there was the electric lighting system of the City of Windsor. That was taken over at a price included in the total of $2,039,000.

Q. That was the local distribution plant? A.The local distribution plant,a steam plant. That was valued at $190,000.

Q. Which is of no use now? A. Yes,Sir,I believe so.

Q. What was done with the electric lighting? A. It was sold to the City of Windsor for that amount and payment was made in bonds of the City of Windsor,4½% per annum, forty year bonds.

TO COMMISSIONER R.A.ROSS:

Q. Where did they get their power? A. I think most of the power was being obtained at that time from the Canada Salt Company.

Q. Did it not come from across the line? A. No,none from the United States.

MR.GUILFOYLE: They generated their own power by steam.

THE CHAIRMAN: What are the principal provisions of the operating agreement between the Commission and the municipalities? A. The Hydro Electric Power Commission agrees to construct,equip and operate the railway; to issue bonds to cover the cost of constructing and equipping the said railway; to apportion annually the capital costs and operating expenses of all works, etc. The Municipalities agrees to bear the cost of constructing,equipping,operating, maintaining,repairing,renewing and insuring the railway and its property and works as established by the Commission; to issue debentures as provided in the agreement and deposit them with the Commission as collateral security for the bonds issued by the Commission. These are the principal points.

COMMISSIONER HANEY: Any rate of interestt mentioned for the bonds? A. No,Sir.

TO THE CHAIRMAN:

Q. The bonds were to bear the same rate as the bonds issued for the purchase of the property? A. Not necessarily; the r rate of interest on the bonds would only be governed by the prevailing rate at the date of issuing.

Q. The bonds issued by the municipalities that were to protect the commission's bonds would bear 4½%?

A. I presume so.

MR.GUILFOYLE: I rather think they did not; I can comfirm that in a moment.

THE CHAIRMAN: The bonds given by the municipalities were held on what condition? A. On condition that they would not be used in the event that the sinking fund, when put into effect,would result in paying over the property by the collections from the car riders; as long as there were no defaults by the municipalities - no deficits that might arise - the bonds would not be used.

Q. If there were deficits then they would be authorized to use the bonds? A. Yes,without notice to the municipalities They were given power to dispose of these debentures sufficient to recoup themselves for any losses which might occur that were not made good by the municipalities.

MR.GUILFOYLE: I have not it noted here,but I am quite certain these are 5% bonds.

THE CHAIRMAN: Half a per cent more than the bonds for the purchase price?

MR.GUILFOYLE: Yes.

Q. Are they payable at the same time? A. Yes,in each case 40 year bonds.

Q. Can you give us a summary of the properties that were acquired, Mr. Bonthron?

MR. BONTHRON: Yes, there was approximately 45 miles of track inclusive of double track, switches and so forth.

26 single truck closed passenger cars,
20 double truck open passenger cars
1 single truck open passenger car
10 double truck closed passenger cars
1 private car
3 single truck box cars
1 double truck baggage car equipped with motor
9 single truck flat cars
3 single truck plow and construction cars
2 double truck plow and construction cars
1 single truck line car.

Buildings in the City of Windsor: Office and freight shed; car house, paint shop, repair shop, blacksmith shop, carpenter shop, boiler room and engine room; waiting room and section-man's house at Tecumseh; waiting room and small freight sheds at Amherstburg. That in a general way is the property, aside from the electric lighting system.

Q. Is all this equipment unused at the present time?

A. No, Sir, a considerable part of the rolling stock has been scrapped and is considered of very little or no salvage value, and the track and roadbed has been, to a large extent, rehabilitated through re-construction. There have been 21 open passenger cars scrapped, 14 closed passenger cars, 2 box cars, 2 flat cars scrapped. The remaining cars have been rebuilt or repaired so that they are continued in

us e and are believed to have quite some life.

COMMISSIONER HANLY: In the rehabilitation of the roadbed, what has been done? Have you any knowledge of that? A. Yes, the following streets have been double tracked: London Street from Ouellette Avenue to Elm Avenue, with double track 3-part wye at the intersection of London and Ouellette Streets.

Ouellette Avenue from Park to Pine Street: the double track already built from London Streets to Park Street was reconstructed. The single track on Ouellette Avenue from Pine Street to Shepherd Avenue was reconstructed.

Q. What do you understand that refers to? Do you mean new rails laid and ties put in? A. That would be my understanding of it.

Q. Heavier rails? A. Not necessarily heavier, but new rails.

Q. Heavier rails, I think? A. That would be the assumption but it would not need to be.

The wye at the Windsor Jockey Club was removed and combined with the loop constructed at Tecumseh Road.

A single track 3-part wye was constructed at the intersection of Ouellette Avenue and Sandwich Street which together with a single track constructed from Sandwich along Ferry and Pitt Streets to Ouellette Avenue taking in a city block, forms a complete loop which permits all cars to pass the waiting room in Windsor without wyeing and backing as was formerly the case at Sandwich and Ouellette Streets.

Wyandotte Street was double tracked from Mercer Street to Moy Avenue involving a double track crossing with the Windsor, Essex and Lake Shore Railway on Aylmer Avenue

and a double track turnout was constructed off Ouellette Avenue. The old double track from Moy Avenue to the Easterly limits of the City of Windsor was reconstructed.

Tecumseh Division: A que and storage track had been installed at the Ford Motor Plant in Ford City ro provide transportation facilities for the Ford employees.

A new passing track has been built at Stop 20. The track on Straband Avenue in Ford City was reconstructed from Sandwich to Ottawa Streets to conform with the changes in the width of the street.

The track on Ottawa Street in Ford City has been moved from the side to the centre and entirely rebuilt from Straband Avenue to the easterly limits of Ford City.

The Track has been, for the most part, re-tied from Ford City to Tecumseh and about a mile and a half of track were reballasted with crushed stone and given a 6" lift. In connection with this work an inter-change track was constructed near Ottawa Street and Straband Avenue with the Grand Truck Railroad to permit the movement of steam road cars on the Tecumseh Division. A curve at St.Clair Shores has been rebuiltto a larger radius to permit the movement of steam road rolling stock. The double track on Sandwich Street east from Goyeau Street, Windsor to Victoria Road, Walkerville, is being replaced by a single track with two passing tracks.

In Amherstburg, interchange track was constructed on Main Street near Ojibway with the Essex Terminal Railway for the interchange of freight traffic. The track was reballasted, re-tied and given a 6" lift for a distance of 1½ miles south of Turkey Creek; the ties on the rest of the

Amherstburg division were partially renewed.

The abutments carrying the old steel girder of the Cunard River bridge were reinforced and an additional steel girder installed to replace the timber structure.

In addition double trolley wires have been erected on Lincoln Road from Wyandotte Street to Tecumseh Road, a distance of 1.8 miles and from Ouellette Avenue along Erie Street, Langlois Avenue, Ottawa Street, Gladstone Avenue and Giles Boulevard back to Langlois Avenue, a distance of 1,42 miles, for the purpose of operating the trackless trolleys.

To replace equipment, a new sub-station was built at Petrimoux Corners for supplying power to the Amherstburg Division to correct power conditions existing at the time the railway was taken over. A new converter has also been installed at the Sandwich Street sub-station. The railway has been rebonded and the overhead trolley wires repaired and sectionalized. New steel tubular poles were erected on Ouellette Avenue from London Street to Erie Avenue and on Wyandotte Street from Glengarry Avenue to the easterly city limits of Windsor which are used jointly for trolley, suspension wires and street lighting. Seven new shelters have been erected at various stops on the railway and other shelters have been repaired.

The waiting rooms at Tecumseh and Amherstburg have been rehabilitated.

A larger waiting room has been rented at Sandwich and Ferry Streets with a ticket office, etc., to replace the old waiting room on Sandwich Street East. The storage building formerly used to store old cars has been equipped

as a repair shop with modern equipment.

The portion of the old repair shop formerly used as a power station has been remodelled into a store-room, where the supplies and stores are now kept.

The steam heating plant formerly operated at 85 lbs. pressure has been converted into a low pressure plant with a considerable saving.

The property at the back of the car house has been purchased and storage track extensions made thereon.

THE CHAIRMAN: That seems to have been a very general rehabilitation. They have almost a new road and equipment. Do you know the value of the old plant that was scrapped? A. No, Sir, I do not. I have not got the details of the appraisal here; that was made by the engineers so that I am not able to answer that question. Mr. Brown, I think, had those figures.

Q. Have any further debentures than those originally deposited been issued by the municipalities? A. Yes, Sir, a total of $900,000.

Q. When were these issued? A. These were issued to take care of additional expenditure in reconstruction of the property - rehabilitation of the property.

Q. On what basis are the lines operating? A. The Hydro Electric Power Commission is operating the lines as a corporation; they did not acquire direct ownership of the assets; they purchased the capital stock of these companies. Because of the bonds that were outstanding, they found it would be incumbent to apply for cancellation of these charters, so they have continued business as corporate

entities and are directing their activities through the directors and officers who are members and employees of the Hydro Electric Power Commission.

Q. How were these additions and betterments financed?

A. The total funds have been obtained by the Hydro Electric Power Commission for account of the Sandwich,Windsor & Amherstburg Railway representing a loan fromthe Bank of Montreal of $200,000, another loan from the Bank of Montreal of $300,000,and the proceeds of $525,000 face value,Hydro Electric Power Commission bonds which were sold,so that the total funds up to September 30th, are $1,066,800.57.

Q. Does that mean money that was furnished prior to the purchase of the road? A.Subsequent to the purchase of the road,and since the purchase of the property.

Q. Were these bonds guaranteed? A. Yes.

Q. By whom? A. By the Province of Ontario.

MR.GUILFOYLE: May I supplement there? Just following the state to which Mr.Bonthron has come,the balance over and above $525,000,the balance of the $900,000, the bonds were sold together and they realized the sum of $973,000. They were sold at a premium,and along with the $200,000 from the Bank of Montreal made $1,174,025 available to the railway.

Q. What rate of interest did these additional bonds bear?

A. 6% forty year bonds of which there were 525,000 sold January 20th,1922 at $107.65; there was 375,000 sold October 31st,1922 at a price of $109.03. The total premium realized on the sale of the $900,000 bonds was $74,625.

Q. You spoke of the original purchase price of this undertaking and of the inventory,how much of the property

purchased represented tangibles and how much intangible assets? A.According to the valuation made by the engineers, there was $401,911.05 represented in intangibles. The balance of the $2,039,000, amounting to $1,639,088.45 was tangible property according to that valuation.

Q. Have you made an estimate of what the bonds represented on a cash basis? A. Yes,Sir.

Q. At the time they were given,4½% bonds? A. We find that the prevailing rate of interest in April,1920,was apparently 5.6%, slightly over 5½% return,and on the basis of that return, the $2,039,000 bonds would have a cash value of $1,651,590.

Q. So that might fairly be called the price paid on a cash basis? A. Yes,that was the cash price paid.

TO COMMISSIONER R.A.ROSS:

Q. What does that represent per mile? Included in that was $190,000 for the Electric Distribution Plant?

A. Yes,$32,480 per mile.

Q. Then your rehabilitation cost$1,100,000; what does that amount to per mile? A. $24,440 per mile.

Q. So that the purchase price in cash was $32,000 per mile and the rehabilitation $24,440? A. Yes,making a total of about $57,000 per mile.

TO THE CHAIRMAN:

Q. That is the actual cost of the road per mile as it now stands? A. Yes,of course there may have been some little increase in the mileage since.

Q. There probably was? A. Yes,with the double tracking there would be,and the single track mileage would be somewhat increased.

Q. How does the price paid for the property on a cash basis compare with the value placed upon it by the engineers of the Commission? A. Well,the discount on the bonds was practically equal to the amount of the determined value of the intangibles.

Q. Tangibles? A. $1,637,088.45.

Q. And the price on the cash basis was? A. $1,651,590.

Q. So that the price paid would be a trifle over the amount of the tangible value? A. Approximately the same.

TO COMMISSIONER HANEY:

Q. Taking into consideration the value of these bonds, did you also take into account that cash would have to be provided for redeeming certain bonds that were outstanding? A. There was no cash required to redeem any outstanding bonds. The vendor had to supply cash to redeem the outstanding issues,and all that he would then receive would be equivalent par value of the amount of the 4½% debentures.

Q. How much was spent in additions and betterments from April 1st,1920, to November 30th,1921? A. A total of $993,668.56.

Q. What did they comprise? A. I think I gave you the best idea of that in stating what had been done in the rehabilitation of the property and the acquisition of new equipment.

MR.GUILFOYLE: I have that in detail.

Q. What were the results of operations from April 1st, 1920,to October 31st,1921? A. The net loss from operation as shown by the accounts closed October 31st,1921,was $33,558.08.

Q--That would be for the first year and a half of operation?

A--The first nineteen months of operation.

Q--How was this loss apportioned among the municipalities?

A--To the City of Windsor		$12,780.81
Walkerville		3,446.60
Sandwich		4,496.90
Amherstburg		2,976.08
Ford City		1,107.74
Ojibway		763.54
Riverside	$1,207.28	
Sandwich East	491.85	
Tecumseh	2,772.25	4,471.38
Sandwich West		4,315.03
		$ 33,558.08

Q--How was that met? A--It was not met and has not yet been paid.

Q--Under the agreement was the Commission authorized to sell the bonds of these municipalities to the extent required to make that up? A--Yes, sir.

Q--That was not done? A--No, sir.

Q--How was it carried on the book? A--As an account receivable from the municipalities.

Q--Did these results that you have spoken of from that period take into account all profit and loss charges to that date? A--No, sir.

Q--Were there any other items? A -There were some items of expenditure which were being charged over the period they were being carried as deferred charges to the future operation of the railway. The valuation for expenses re purchase of the railway amounted to $13,913.75; deferred maintenance chargeable to future operation $5621.28. Total paid about $19,500 was carried forward as of October

31st,1921.

Q. That would be in addition to this deficit? A. Yes.

Q. Could the commission have collected this deficit from the different municipalities or were they quite right in carrying it forward on the books as they did? A. Under the agreement,they were obligated to collect it,I should say.

Q. You say then it should have been collected?

A. Yes.

Q. Does it still stand on the books as accounts receivable from these municipalities? A. It did October 31st,1921. Subsequent to that date,the Commission has reversed the renewal provisions,that is,the provisions for depreciation and accruing renewals of the property,and that would have the effect of wiping out the deficit from operation of October 31st,1921. In arriving at the amount of the deficit there was a charge against operations for renewals in an amount in excess of the total deficit.

Q. Then there had been a sum set aside for renewals?

A. Yes.

Q. Amounting to how much? A. The total provision for renewals made up to the 1st of October,1922,was $47,202.88.

Q. Do you mean the amount of deficit, some $33,000, was taken out of the renewal fund and the deficit wiped out in that way? A. That is one way of stating it.

Q. How do you state it? A. By cancelling the provisions for depreciation and renewals,there is shown to be a net operation income of $13,644.08,that is before making provision for renewals or depreciation.

Q. That would be practically to have made up a statement to the end of that period as if no sum whatever had been set aside for renewals? A. That is the effect, that is what has been done.

Q. Was the setting up of a renewal fund a proper and business like thing for the Commission to do? A. Yes, Sir.

Q. Was it proper for it to wipe out the renewal fund later and apply it to wiping out this deficit?

A. Not in my opinion, No, Sir.

Q. How would you characterize it? A. I would not say it would be a sound accounting factor.

Q. When was that done? A. That was done as of the close of the current year; sometime around October, or I think probably December 13th, 1922 - over a year later.

Q. So that the renewal fund wiped out the deficit and the deficit would be converted into a surplus? A. Yes, Sir, that is what happened.

MR. GUILFOYLE: You can hardly regard these renewals as having been collected and set aside to the amount of $33,000. It was really a book entry; there was not sufficient to set aside $33,000; there was only some $13,000 odd.

Q. If these Accounts Receivable had been collected from the municipalities, the renewal fund would have been intact? A. Yes.

COMMISSIONER R.A.ROSS:

Q. That renewal fund has to cover depreciation?

A. Yes, Sir.

Q. Depreciation and obsolescence are not a straight line quantity; in other words, they are lower during the first year than later periods? A. Yes, that is true.

Q. The allowance here for renewals is on a straight line basis, is it not? A. The sinking fund basically is on a straight line basis.

Q. If it had been on a progressively increasing basis, you would have an increasing amount put up every year as time went on, and that would more nearly approximate the actual facts? A. We would have depreciation and maintenance which together should be on a straight line basis. The actual current maintenance charges naturally would be lighter during the earlier years of operation; that will increase as time goes on, and possibly they may amount to a considerable percentage of the property each year. The property will gradually decline in value until it hits the level that may represent. That is the standard of operating efficiency; it may be 75% of the original cost. There must be sufficient spent on current maintenance to maintain the property to that figure; the reserve will not increase then beyond 25% of the original cost. Any heavy renewals must be charged against this reserve for depreciation, so that it remains practically at the same figure right along. I cannot see but what the sum of the renewal provision plus the current maintenance should be practically kept on a level throughout the life of the property.

Q. So as to make good your depreciation value? A. Yes, therefore if the money has not been spent for current maintenance, it should be set aside in a fund for renewals of the property.

TO THE CHAIRMAN:

Q. The renewal fund straight line might be higher than the

amount required in the early years, and less than the amount required in later years? A. Yes, that is speaking of a new property. That is where you are dealing with a property 100% new. This was a used property; it was a going concern.

Q. It had been very largely rehabilitated, so that some of it was almost new property? A. No doubt certain parts of it.

MR. GUILFOYLE: From today's date on.

Q. Are you familiar with the items upon which depreciation is charged on this railway?

MR. GUILFOYLE: Yes, Sir. The items which are being depreciated are rails and special work at intersections: track roadway, bridges, trestles and culverts, crossings, etc., poles and the distribution system, car houses, buildings generally and their equipment.

Q. Do you mean to say that maintenance on these items is very small at the beginning and large at the end?

A. Of their life, yes, sir.

Q. How do you account for no maintenance on rails?

A. The rails are put there until such time as their useful life is done and then they are replaced. That is what the depreciation charge is for - to replace that rail at the end of its useful life. Maintenance items chargeable are simply maintenance items on track on ballast and ties and things of that kind. There is very little difference in the maintenance of a piece of rail and a piece of overhead. There is no great difference between the first year and the last year. There is a difference as far as ties are concerned. Ties and ballast are things we have to take care of. There is very little difference between the first year's maintenance and these items.

Q. Therefore the conclusion we come to that depreciation and maintenance items are small in the beginning and very large at the end, is not correct as far as an operating property is concerned? A. While it is true that maintenance reserve is determined by taking only these items into account, possibly you would analyze provision for depreciation merely to determine the net average rate of depreciation but as applied to the total property of the company.

MR.GABY: I have been asked the question as to whether maintenance increases as the years go on; as a matter of fact, with these items they do not increase.

Q. As a matter of fact, this is an operating road and it has been operating for some years, therefore, maintenance will be approximately the same as it will be towards the end of the term? A. I mentioned that. There is another point I want to bring up: During the period of thirty months we have spent some $900,000 in replacing this property. Therefore, we charged that to capital, and that may be said to be a depreciation fund as far as this property is concerned; we have renewed it out of capital. If the property had been operated by the Commission for twenty years, we would have set aside a renewal reserve to take care of that capital, and that was probably considered in the purchase of this property. Therefore, why should we charge for renewals during the period in which the rehabilitation of this property was taking place, when we were spending $900,000? The greater part of that property has been replaced by new property.

A. But the property has been in use nearly all the time while reconstruction was going on. In the purchase value of this property, depreciation was considered and to put this property in A.1. condition it was necessary to renew certain parts, and these items were charged to capital account. During that period we scrapped cars and rails, and on November 1st, 1922, we practically had a new road for operation. We do not want to charge depreciation during the period of building a new road. We have been rehabilitating this property and we might say depreciation is chargeable from the day the property was put into operation, November 1st, and that would probably be correct. We have been replacing this property, putting on new cars and reconstructing the property, and our operation has been retarded and interfered with as far as revenue is concerned. We have been hit both ways.

MR.BONTHRON: I have stated that I think depreciation should have been provided and I still stick to that.

MR.GABY: We differ on that; do you think we should set aside depreciation?

MR.BONTHRON: The agreement does not provide for that, unless there is sufficient income; I was going to call the Chairman's attention to that.

MR.GABY: We consider this year the period on which we commenced full operations.

SIR ADAM BECK: In dealing with these matters, I presume you conferred with Messrs. Clarkson & Dilworth, our accountants?

MR.BONTHRON: Yes,Sir.

SIR ADAM BECK: Have you conferred with them regarding this depreciation fund that you personally think should be provided?

MR.BONTHRON: Yes,Sir.

THE CHAIRMAN: Mr.Guilfoyle will speak as to that.

SIR ADAM BECK: If I may ask a question.

THE CHAIRMAN: Yes,you may.

SIR ADAM BECK: Do you object to my asking Mr. Bonthron any questions?

THE CHAIRMAN: No,not at all.

SIR ADAM BECK: Why cannot I go on?

THE CHAIRMAN: That may be brought out when we question Mr.Guilfoyle.

SIR ADAM BECK: Then you don't want me to continue asking questions?

THE CHAIRMAN: Not any questions Mr.Guilfoyle can answer.

SIR ADAM BECK: I am talking about Mr.Bonthron; you object to my asking him questions?

THE CHAIRMAN: No,not at all.

SIR ADAM BECK: Then allow me to continue; I am talking to the witness just now.

THE CHAIRMAN: I did not wish to interrupt you, but I did not want the evidence taken down twice.

SIR ADAM BECK: I could have asked the question and had it answered by this time.

Q. Have you been informed by Mr.Clarkson himself that he recommended that in all these railways which we took over - and there is more than one - that because of the very much

run down condition of the railways,due to the fact that the franchises were expiring and the lines were in such shape that the wear was taken out of them, - and by Act of the Legislature we were compelled to set aside depreciation or renewals,although the sinking fund is deferred for ten years - there is nothing in the agreement that suggests that we should set aside this sinking fund during the period of construction,and after a consultation with the Commission and Mr.Clarkson,Mr.Clarkson recommended,and the Commission decided that there should be no fund set aside during the period of rehabilitation and construction,and that it should be treated as if it was a new road being constructed and that we should use our judgment. When this railway was fully reconstructed and equipped,then the depreciation fund should be set aside. Have you any report as to that? There is nothing left that permits us doing these things,and Mr.Clarkson who is our permanent Accountant,decided,and the Commission decided as a matter of business and good judgment,during that period, because of the condition of this railway and because we were practically building a new railway,that depreciation should be deferred. Have you had any conference with Mr.Clarkson about that?

MR.BONTHRON: Mr.Clarkson has not told me that he recommended toyour Commission that it would be a proper a accounting procedure to defer the making of any renewal provision until November 1st,1922. It is already a matter of record in our testimony this afternoon that there is nothing in the Act that requires it in the absence of net revenue,and the only minute we have on it is a minute of

your own Commission under date of December 13th,1922, which reads as follows: "The Chief Engineer submitted a report on the rehabilitationof the Sandwich,Windsor & Amherstburg Railway and the Guelph Radial Railway,together with his recommendation as to the advisability of charging depreciation during the period of reconstruction and rehabilitation on these roads,and after consideration,the Board approved of the deferring of the depreciation charges until rehabilitation had been completed which was estimated as of November 1st,1922. It was further instructed that no depreciation charges be set aside during the periods of rehabilitation of any of the roads which may hereafter be acquired by the Commission".

SIR ADAM BECK: Mr.Clarkson was present at the various conferences and concurred in that.

MR.BONTHRON: I may say to you that it did not come to my attention and it would not have made any difference in my opinion.

MR.GUILFOYLE: I want to give notice that if you want the views of our firm on this matter,I can give them now. I am going to give you the view which I think Mr.Clarkson has and my own. Now,it does not go quite so far as Sir Adam Beck has put it, - absolute approval or sanction of the wiping out of depreciation at that time.

THE CHAIRMAN: Do you think it was sound accounting to do that?

MR.GUILFOYLE: I think there are arguments on both sides.

Q. Would you say yourself it is sound accounting?

MR.GUILFOYLE: I would sum it up in this way: First and foremost, it is within the power of the Commission to levy renewal or leave it unlevied if they see fit; the Act gives them that power. They adjust the amount between the municipalities and levy the charges which may be put up for renewals. The authority and power is theirs to do as they see fit. Now for a Street Railway accounting practice, if operations are normal, and if conditions are normal, if they are starting off with a new road complete, then every year should bear its share of depreciation. This road was not a new road; this was a rehabilitated road taken over in 1920, with rehabilitation extending, without a break, from 1920 to the end of 1922. There is no doubt in that time the revenue of the road was seriously impaired by breaks in the traffic. One does not have to be an accountant or an engineer to see that. If the service is not normal, and it would not be if the streets were torn up in a town of the size of Windsor or Walkerville, because the people will walk, the revenues of the road were impaired. We believe the operations were not as they may be expected to be in the years to come. The operating expenses as against revenue and the service maintenance must have been heavy as compared with the next year. The maintenance of the electrical equipment and of the cars, I think, were abnormal in these years. I think there are other reasons you can advance as why it should not be charged; there are reasons for and against.

THE CHAIRMAN: Q. Would the falling off in revenue affect the principle of setting aside a sum annually for renewals?

MR.GUILFOYLE: It would in this way: if you have abnormal charges because of the rehabilitation of the road and the revenue impaired at the same time, and the road ready to go ahead with normal operations as of November 1st, 1922, there are many arguments behind that being the starting point for the putting up of renewal on the rehabilitated road.

COMMISSIONER R.A.ROSS: I understand the Commission purchased a run down property? A. It was run down.

Q. They spent about $900,000 in putting it where it ought to have been kept by maintenance? A.As a matter of fact, they spent $1,100,000, practically 50% of the purchase price.

Q. During that time they had interrupted traffic? A. Yes.

Q. Would it be just and sound to capitalize that and put it with the $900,000 and then pay renewal charges on that; you would come out even and you would be perfectly logical?

A. I believe that with the road being rehabilitated and operating under these handicaps and conditions, a great many private corporations, if they sustained a deficit under these conditions would capitalize the deficit. That is practically the answer to your question. If you create a deficit by putting up a renewal reserve, that would capitalize the deficit.

COMMISSIONER R.A.ROSS: I think that would be the accepted practice with private companies.

MR.GUILFOYLE: Yes.

SIR ADAM BECK: If a private company had acquired a railway under these conditions and had to spend 50% of the original cost on maintenance, and if they had not earned

sufficient money to pay interest, would they not have charged that to capital account? A. Capitalizing of interest on investment during the time in which the road was under construction and up to the time it commences to operate, is quite a proper thing.

SIR ADAM BECK: In this case, these roads were allowed to get run down because the franchise was expiring. The maintenance on this equipment was enormous on account of it being out of repair.

THE CHAIRMAN: Nobody can tell what a private company would do.

SIR ADAM BECK: I am talking about the practice. One more word: You were not present at the meeting of the Board, but Mr. Clarkson was, and the decision of the Commission and myself was that we would defer the renewal fund because we fixed our rates at approximately the price that would run the road for the first few years. It was only because of Mr. Clarkson's concurrence that we decided to defer the renewal fund.

THE CHAIRMAN: We will hear Mr. Clarkson on that.

MR. GUILFOYLE: I will take full responsibility for the statement for Mr. Clarkson. I have been paying attention to what you have said, Sir Adam.

THE CHAIRMAN: Mr. Guilfoyle will speak for Mr. Clarkson.

SIR ADAM BECK: I am speaking of what Mr. Clarkson said and I will be glad to go into the witness box if you object to my bringing out any evidence; Mr. Guilfoyle could not know about it, because he was not present.

THE CHAIRMAN: Mr.Guilfoyle says he will take full responsibility to speak for Mr.Clarkson.

SIR ADAM BECK: He was not present. The matter of policy they have in their minds is one thing, but Mr.Clarkson was present on several occasions and it would not have been carried out if he had not concurred personally.

THE CHAIRMAN: Mr.Guilfoyle does not appear to be willing to accept that.

SIR ADAM BECK: I am not asking him to

THE CHAIRMAN: We should hear Mr.Clarkson himself on that.

SIR ADAM BECK: I am not asking him to say what Mr.Clarkson said.

THE CHAIRMAN: We will hear what Mr.Clarkson has to say later, but just now we will hear from Mr.Guilfoyle.

MR.GUILFOYLE: Following the interview to which Sir Adam has made reference, and right up to the presentation of this 1922 statement, Mr.Clarkson and I conferred on the whole matter of the statement, and on the question of depreciation, our conclusions were that there were arguments on both sides. We think there are very strong arguments in favor of the Commission deferring providing that depreciation. I do not think Mr.Clarkson is inclined to criticize the Commission for having done so.

THE CHAIRMAN: Would you go so far as to say Mr. Clarkson expressed his approval of what was done?

A. I was not there, but I do know Mr.Clarkson regards it as within the power of the Commission to do it.

THE CHAIRMAN: I think it is quite clear, the Commission has power to do it; I am speaking to you as

auditor and accountant; was it sound financing to do that and to take that reserve that was set apart in 1921 and deal with it as it was dealt with in December of last year? A. As actually put up on the books, it was not collected in revenue. There was no cash collected; it was a matter of putting it up by book entries, and the eventual wiping out of that book entry I do not think matters at all; I think it is a matter of principle of providing or not providing it up to the end of October, 1922. The very fact of setting it up in 1921 and wiping it out, I do not think matters. It is a case of whether it is to be provided or not to be provided in the whole two years.

Q. Was it on your advice or suggestion that it was charged up in the books against the municipalities? A. The Act provides that a Commission shall apportion and adjust it as between municipalities.

TO COMMISSIONER HANEY:

Q. Annually? A. Yes, annually. The apportionment was made on the direction of the Commission; I don't know whether formally by minute or by an informal direction to its accountant. The apportionment was made by the accountants of the Commission and reflected in our statement.

Q. Do you regard it as a proper way of dealing with it or not? A. Well, the act of doing it was an act of the accountants of the Commission, it is so reflected by us in the accounts. It is within the power of the Commission to readjust that if they want to. We reflected what they have done.

THE CHAIRMAN: I think there is no question as to the power of the Commission, but sometimes it is not just

right to use powers that you have in a certain way. Was it a proper thing in your opinion to do it? What would be reasons for not doing it? A. Reasons for not doing it would be on a strict accounting and operating practice, that if conditions were normal, the operations were normal, the first as well as the last year in my opinion should bear an equal part of the depreciation. I think it should be spread over the whole period; it is calculated on the life of each unit of the plant whether it be ten, fifteen or twenty years. I think the accumulation of the reserve should be over ten or fifteen or twenty year period, pro-rated over that, that is, if conditions were normal; with abnormal conditions the other argument comes in.

Q. Is it a question on which one accountant might take one view and another accountant another? A. Yes, and one engineer one one side and another on the other.

Q. Do you agree or not with Mr. Bonthron in what he said about it? A. I agree to the extent that I have not formed judgment on it; I am not presumed to judge it. There are arguments on both sides, and I regard it as within the power of the Commission to do whatever they see fit.

Q. The proper and normal way, aside from anything that would be abnormal would be to set aside renewal reserve every year? A. Under normal operations, yes.

Q. Were conditions sufficiently abnormal to justify departing from that practice - that would be a matter of opinion?

A. Yes, and an intimate knowledge of what took place. We only know it in generalities.

Q. I see no reference is made to the auditors in this minute; it is just the opinion of the Chief Engineer, Mr. Gaby?

A. Quite so.

Q. Were you personally consulted about it at the time?

A. The matter was up for discussion.

Q. Did you express any opinion about it at the time?

A. In general terms and in a general way as I have expressed it here, that there were points for and against.

Q. Would it be right to say that you expressed your approval of what was done? A. I never expressed my approval nor did I express my disapproval.

Q. You did not express your approval? A. No, nor did I express my disapproval.

Q. Is not it something upon which accountants should have an opinion and express either their approval or disapproval of it? A. No, I think it is more the opinion of the management than it is of accountants. You require to know a great deal more of the details to interpret operations. You should know a great deal more of the local knowledge that would have to be obtained as to the effect on revenue. We should know a great deal of the things in detail thatwe only know in general in order to pass a judgment.

Q. Do you think it would be more a question for the Chief Engineer to decide than for you to decide? A. For the Commission.

Q. But the Engineer would be more likely to know about it than you would? A. Undoubtedly the Commission would get their information from the engineer at the time.

COMMISSIONER R.A.ROSS: Your mind seems to be running in this direction: theoretically every year there should be a uniform allowance for renewal? A. Yes, under

normal conditions.

Q. Under normal conditions with a plant starting? A. Yes.

Q. This was a rehabilitated plant starting out?

A. There is no question about that.

Q. The only question at issue between you and Mr.Bonthron is the question that during this interim period when things were under reconstruction or rehabilitation, there is another item that affects your judgment, that is the question of the loss of revenue which is in doubt? A. I have mentioned that.

Q. There was also the increased maintenance that is paid out of operating costs which was undoubtedly heavy?

A. The increased maintenance as against the service given.

Q. That was undoubtedly heavy? A. I think it was.

Q. And possibly as heavy as maintenance plus renewal after rehabilitation? A. The maintenance of equipment in 1921 was $71,000; the maintenance of equipment in 1922 was $65,000. The estimate of normal maintenance after rehabilitation by the engineers of the Commission is $42,000.

Q. That confirms what I have been saying? A. Yes.

Q. These were the facts that influenced you in saying it may be one way or the other? A. Yes.

COMMISSIONER HARRIS: That is an estimate?

A. $42,000 is the engineer's estimate.

Q. I have not heard anything said about the cost of rehabilitation; were there any estimates made before starting in on rehabilitation? A. I believe there were; I have not the details. Mr.Gaby no doubt has.

MR.BONTHRON: I have not got them. Mr.Clarkson furnished some statement as to that.

MR.GUILFOYLE: Prior to the purchase there is a letter to the Commission that had entirely to do with the purchase price?

MR.BONTHRON: Yes.

MR.GUILFOYLE: The letter mentioned by Mr.Bonthron was when the Government were requested to guarantee the issue of $900,000 for rehabilitation. The letter of the Chief Engineer will have to give you the information you want.

COMMISSIONER HARRIS: The municipalities that were purchasing this road must have been given something in the way of an estimate of what it was going to cost to rehabilitate it? A. I presume they were,I do not know.
Q. Another point under the Hydro Electric Railway Act, have the requirements of that Act been strictly carried out in the way the matter was handled?

MR.BONTHRON: Except the basis on which the properties are operated as separate corporations,I think the provisions of the Act have been fully carried out.

MR.POPE: Do you know that the Bond Mortgage compels them to be operated in that way? A. I have already stated that,Mr.Pope; that is the reason why they could not dissolve these corporations because of the bonds that were outstanding.
Q. The Commission would be required to assess and collect that $33,000? A. That is true but I do not think the period within which collection was to be effected is defined in the Act.

Q. It says annually? A. No, they shall adjust annually.

COMMISSIONER HARRIS: The council of every corporation entering into an agreement with the Commission under this Act shall annually raise and pay over to the Commission its proportion. Why should they just leave that in the form of a book entry? They should have gone to the municipalities and assessed them; that is if I read the Act correctly.

MR.BONTHRON: Yes, I do not know why that has not been done; it is a question for the Commission.

Q. The Government gave its consent to the raising of this additional $900,000? A. Yes, and guaranteed the bonds.

Q. And the Hydro Electric Power Commission sold their bonds for the purpose of raising that amount of money? A. Yes.

Q. Have they assessed the municipalities for that extra expenditure, or how does that stand? A. They have requested and have received from the municipalities proportionate amounts of the municipalities debentures as collateral security for the issuance of these bonds by the Hydro Power Commission, and the municipalities have obligated themselves to the issuance of these bonds of the Hydro Power Commission.

Q. That was endorsed by the ratepayers I suppose? A. Yes.

MR.POPE: No, that was not done - the original bylaw does that.

COMMISSIONER HARRIS: The original bylaw gave them authority to do that.

SIR ADAM BECK: That is if they defaulted.

Q. When Windsor was voting, did it vote on $745,000?

THE CHAIRMAN: This amount set aside for renewals appeared in the accounts for the period ending October 31st, 1921? A. Yes.

Q. And it remained,as I understand, in that way on the books until December,1922? A. Yes,it will be as of October 31st.

Q. In the meantime it had been charged up against the municipalities and then in a year or two months,it is wiped out of the account; is that a usual or unusual proceeding in connection with a public or private company?

MR.BONTHRON: It is quite unusual in the case of Hydro operations in that the renewal provisions made in respect of various power distribution and generating systems are revised from time to time,and the revision of these downward which results in reducing the amount provided for renewals, results in corresponding credits to the various municipalities served by the system; and if there are debit balances against these municipalities,it results sometimes in wiping them out and creating a surplus in its place. A. Yes,a surplus to the credit of the municipalities.

COMMISSIONER R.A.ROSS: Depreciation or maintenance allowance is only an optional factor in the whole accounts of the company? A. No,it is not optional; it is provided for taking effect on April 1st,1930; there is nothing that requires the provision of any sinking fund until 1930.

Q. So that this depreciation fund is optional on the part of the Commission? A. Quite so.

Q. Who would determine that? A. There is no one to review the opinion of the Commission.

Q. Who within the Commission would settle matters of that kind for the Commission? A. The Chief Engineer,Mr.Gaby.

Q. Has the Chief Engineer done so in this case? A. His recommendation is on record of December 13th,1922.

Q. Does not that cover the point; it is not an accounting matter; it is a matter that is optional under the circumstances of those who are advised by their engineer?

A. If a thing is wrong that does not legally make it right.

Q. They can only act under the Act? A. Yes,but they have an option; they can adopt the wrong option; they can do the wrong thing under the Act just as well as they can do the right thing. If it is right for them to provide for renewals and they do not do it,because they have an option not to do it and they are not specifically required by law to do it,that does not make it right.

THE CHAIRMAN: That is what it narrows down to, whether this right was properly exercised? A. Yes,Sir.

COMMISSIONER HARRIS: Are there precedents on this matter? A. It is very difficult to find them.

Q. Are you at all familiar with the Public Utility Commissions that operate in the United States? A. Yes,but I have never heard of a property wholly rehabilitated; I have not had any experience in that. Nobody ever heard of a property rehabilitated and reconstructed as was done in this case. I do [illegible] know this: where properties are rehabilitated if the company has determined to provide for renewals,it does not change its policy merely because in any year it has heavier reconstruction charges than in another.

Q. That is not the point; public utility commissions operating in the United States would not allow this at all; they set down the principle of renewal funds?

A. That is all determined by the Inter-state Commerce Commission of the United States as far as operation within the United States is concerned.

Q. The street railway comes under the State Legislation?

A. Yes, they are under both. They are not under State supervision except to the extent that if they wish to issue securities they must secure approval. In Michigan they must satisfy the Commission that they are making proper provision for depreciation and renewals.

Q. Because they have to go to the Banks and get the money?

A. Yes.

Q. The Hydro can do things they could not do; because they could go to their bankers and get all the money they want?

A. Practically so.

MR.GABY: I do not think there are very many railroads in the United States that set aside depreciation.

MR.BONTHRON: The street railways are doing that now.

COMMISSIONER HARRIS: In almost every State in the Union they are doing it.

MR.BONTHRON: Not in every case, but almost every case. The Detroit United Railway inaugurated its depreciation reserve 16 years ago, in 1907.

Q. Do you know what it was? A. They started off the first year, I think, with $300,000; that has been increased until they got up to $900,000 one year for depreciation and deferred maintenance, and $1,600,000; just what per cent that amounted to I could not say.

Q. It runs as high in some cases as 20% of their gross earnings?

A. No,Sir,I doubt it; it may in some small properties, but I have never seen one of them.

COMMISSIONER HANEY: If the Company had provided for renewals would it have been necessary to have spent this $1,100,000? A. That would depend entirely upon the price paid for the property and whether that price would take into consideration the depreciated condition,or whether there would be any other factor that would influence the determination of value.

Q. Is there any evidence as far as you know that they did set up a fund for renewal? A. There was no renewal fund specifically as such in the books of the Company.

Q. Consequently it was necessary to spend 50% of the purchase price in renewals? A. Which no doubt was taken into consideration in the value of the property.

COMMISSIONER R.A.ROSS: You would call that deferred maintenance rather than renewals? That $900,000 was practically an accumulated lack of attention to repair which the road had suffered? A.Deferred maintenance.

Q. Rather than renewals? A. Yes,rather than ordinary renewals,certainly.

THE CHAIRMAN: Upon what amount was renewal based? A. The renewal is left in weighted average of four per cent, which reduced to a sinking fund basis amounted to 3.3% of the value of the property that was in use during the period in 1920.

MR.HARRIS: Q. Do you happen to know what the period will be on the Toronto Transportation? They are not rehabilitating 50%; they are rehabilitating 100%?

MR.GABY: I doubt if they are starting any depreciation.

MR.GUILFOYLE: We can esaily find out.

Q. For the year ending October 31st,1922, was there any renewal charged? A. Yes,Sir,the amount originally provided for in the accounts for that year was $31,134.38.

Q. This resolution referred to the period ending October 31st last as well as the period ending October 31st,1921?

A. Yes,Sir, which resulted in the reversal of the total provision for that period of nineteen months of $47,202.88.

Q. Why was the renewal fund set up at all when it was known this period of rehabilitation was close at hand?

A. As far as I know,the rehabilitation has continued from the time the road was taken over; it was inaugurated almost at once.

Q. This was an absolute reversal of the policy that had been followed up to the period this resolution was passed?

A. Yes,Sir.

Q. Why was it,if you knew this rehabilitation was going to take place and what has been done would be done,why did you set up a renewal basis?

MR.GABY: It was just arbitrarily set aside and never definitely decided by the Commission as to what should be done with depreciation. From the starting of this road,it was merely set up as a matter of accounting and no decision made,and as a matter of fact,the engineers had not given a final decision to the Accounting Department. They allowed them to set it up because that had been done in other properties,but a decision was never come to by the Commission or the Engineering Department because it depended

on conditions as we came across them. For instance, in taking these cars, probably 50% of them would be scrapped during the period of three years, and we had to spend $100,000 just to keep them operating during that period which is an extraordinary expenditure, and part of that had to be charged to capital. Mr. Guilfoyle has said we charged $30,000 or $40,000 a year to ordinary maintenance of the road on account of keeping these cars in condition. It cost ten times as much to keep these machines in operation as it would under ordinary conditions. I was just pointing out to Mr. Harris the Inter-State Commerce report which provides for setting aside depreciation, in which it says: "Depreciation accounts, in which to include monthly charges to cover depreciation of way, structures, equipment, power plant, buildings, power plant equipment, are provided in order that carriers might create reserves which will meet or reduce the amounts, otherwise chargeable to operating expenses or to provide a loss account to cover the cost of the renewal or retirement of property, such depreciation charges shall be upon the basis determined to be equitable according to the carrier's experience and best sources of information as to the actual accruals of current losses and depreciation".

COMMISSIONER HARRIS: These local Utility Commissions have set up in detail just what these local railways have to do?

MR. FAIRLIE: They control all electric lines.

COMMISSIONER HARRIS: They make specific recommendations.

MR.FAIRLIE: That is a specific recommendation that Mr.Gaby has read.

MR.BONTHRON: The Michigan Commission and other State Commissions determine the proportionate rates of depreciation in every case where rate fixing matters are brought before them. If the Detroit United Railway were to go before that Commission tomorrow, they would decide whether the rate of depreciation should be 1¼% or 2½%.

MR.GABY: That is a matter of their viewpoint, and the question of fixing rates - they have to allow them a certain depreciation loss.

THE CHAIRMAN: There might be one rate for one company and another rate for another company.

MR.BONTHRON: There must be.

MR.GABY: It is not a question of rates; it is what a company would put in its books. The Detroit United started with $300,000 one year and $1,000,000 in another year.

MR.HARRIS: The Utility Commission puts a judgment on protection of bondholders, and that is an important matter. This concern cannot go out and sell their bonds unless they provide for these things.

MR.GABY: The Government at the present time are not in that position. In the Legislation of this year, no further bonds can be guaranteed by the present Government. Therefore, they are not in that position. The position now is the municipalities are entirely the owners, and these bonds have to be issued on collateral of the municipalities. Therefore, they are the bodies who have to determine whether the management are carrying on their property in a proper

way. They are the shareholders and owners of this property. Q. It makes a very great difference to whom the bonds are marketed? A. It is business to set up certain reserves. Now we are discussing a proposition where a road has been 50% rehabilitated.

THE CHAIRMAN: I suppose it is quite possible that if you had been a private corporation raising your money as other private corporations do, without a Provincial guarantee, restrictions might have been imposed upon you by the parties accepting your bonds which would have rendered it obligatory on you to set aside a certain amount for renewals each year, and if that had been the case it would not have been a matter of discretion on your part, but you would have been compelled to do it?

A. Not necessarily in connection with the bonds because in this case it all depends on the kind of case we can put before the people who are going to loan the money.

Q. It is the usual provision to provide a sinking fund?

MR.GABY: The bond mortgage provides for a sinking fund. As to whether they will loan you money on your railway depends on the operating statement and what reserves you have set up - you might call it reserves for anything as long as your property shows a good healthy operating condition, the amount of money you can get is reflected in its condition. These two cases are not comparable at all, because the Hydro Electric Power Commission has not only got the ratepayers obligated, but it has the right to ask them to meet any deficit, and that would not apply to any private company. We have the right also to

increase the fares. It is quite impossible on the part of the Commission to determine what the fare should be when we began operations and took over the road. It might be a 7¢ fare or a 6¢ or 5¢ fare, but it would have to be a fare that would earn sufficient without our being compelled to tax the ratepayers. In the City of Toronto, they took the other way and fixed a very high rate of 7¢, and we maintained the original rates until we could determine what the rates should be. We are entirely different from any other organization because rate fixing is in the hands of the Commission, and it is obligatory to advance it when they require funds.

COMMISSIONER HARRIS: Do I understand you to say before these bylaws were submitted that you intimated to the citizens that the fare might be 6¢ or 7¢? A. Yes, these amounts were mentioned by me in my laying it before them, that we could not determine what the rate would be; it might be increased and it might be lowered. Q. You surely did not mention 6¢, 7¢ or 8¢? A. I did certainly in my discussion with the public at various times. The fare has to be ample as provided in the agreement; a rate must be fixed to provide revenue to take care of all these charges. Nobody can anticipate what that might be, and when we find it is not ample, we have to raise the fares. We cannot tell what a fare will be until we have another year of operation. We can at any time change or vary the fare.

TO THE CHAIRMAN:

Q. What changes have been made in the fares? A. The fare charged in 1920 was a 5¢ fare, or six tickets for 25¢;

children's fare,3¢ cash or a ticket fare of 60 tickets for $1.50. On July 1st,1921,a straight 5¢ fare was put into effect,the children's fare remaining unchanged. These fares continued in effect until November 1st,1922,when the cash fare was increased from 5¢ to 6¢ and a ticket fare of 20 tickets for $1.00 or 6 tickets for 35¢,without any change in the children's fare.

SIR ADAM BECK: The transfer of 1¢ from the trackless trolleys was eliminated.

THE CHAIRMAN: When was that transfer charge dropped?

SIR ADAM BECK: It was effective November 1st,1922.

Q. On what basis is power supplied to the street railway?

A. It is supplied by the Windsor Hydro Electric System on a cost basis.

Q. That is the actual cost to the Windsor System?

A. Yes,cost delivered to the Street Railway Company.

Q. Do you know what that is? A. No,Sir.

Q. When willthe sinking fund provision be started under the Act? A.April,1930 - 40 year basis,that is what it will be.

MR.GUILFOYLE: "To issue debentures for the amount set forth in Schedule B, maturing in 50 years from the date of issue thereof and bearing interest at not less than %, such debentures shall be deposited and so on".

Q. Are these debentures issued for rehabilitation purposes?

A. No,these are the municipal debentures for collateral. Elsewhere it quotes: "To pay after ten years".

ALDERMAN MITCHELL: I have been here and a great

many other people have been here, and I would like to ask you if the technical evidence that has been given now could not have been given in Toronto or after the business men here had given their evidence? There are a great many men connected with certain affairs here who are away from their business, some of them are salaried men on daily salary and I think it is most unfair that they should be here probably two or three days.

THE CHAIRMAN: I hope not.

ALDERMAN MITCHELL: It looks that way now.

THE CHAIRMAN: Mr. Bonthron is nearly through and his evidence is not technical.

ALDERMAN MITCHELL: The evidence that has been given so far, I think, might have been given afterwards or in Toronto.

THE CHAIRMAN: If we had examined Mr. Bonthron at Toronto instead of coming up here, as we were requested, we should have been criticized for not having a hearing in Windsor in connection with Windsor matters.

ALD. MITCHELL: The City Council did not request you to come here.

THE CHAIRMAN: I am not saying it was the City Council.

SIR ADAM BECK: We were told it was at the request of Windsor.

ALD. MITCHELL: The City Council did not request you to come here; in fact your communication was sent to a committee and it stayed there.

THE CHAIRMAN: I know we received a communication from the City Clerk.

ALDERMAN MITCHELL: Not from the Council.

THE CHAIRMAN: However, we are here and we are going on and we will try and conduct it so that you will be put to as little inconvenience as possible.

MR. JACKSON: Might we know what request the Commission acted on in coming?

THE CHAIRMAN: I have not got the communication with me at the present time, but we had a communication from the City Clerk.

SIR ADAM BECK: There was a definite statement made by you at the Parliament Buildings that there was a communication requesting it from the municipalities.

THE CHAIRMAN: There was undoubtedly a communication, but we won't go into that just now. Mr. Bonthron must not be interrupted, but we will allow you gentlemen to be heard as soon as possible. We are here to conduct this inquiry and we will get through as quickly as possible, and we will hear you gentlemen when we are in a position to do so.

COMMISSIONER HARRIS: Will the gentlemen here be willing to spend an evening with us; we want to get through, and we will work this evening.

ALDERMAN MITCHELL: A number of us have something else to do. I have an appointment tonight and another one this afternoon.

THE CHAIRMAN: If you had spoken to us before, we could have told you you would not be called on until Mr. Bonthron would be through, and you would not have been required to be present. We want to accommodate you in everyway we possibly can.

Q. Now,Mr.Bonthron, on what basis are the unredeemable tickets treated - as a liability? A. Tickets have been credited to revenue and a reserve has been provided in the account at an estimated/arbitrary amount of $1,000, which is presumed to cover the liability for tickets outstanding in the hands of the public. That is the condition that existed on October 31st,1921.

Q. Is that the usual method that is followed?

A. No,Sir,the usual method is where tickets are sold as a basis for paying for street car fares,to credit the proceeds of the sale of the tickets to a liability account for unredeemed tickets and then to reduce the liability account as the tickets are redeemed,taking up the redemption of the tickets as revenue.

Q. Is there anything further? A. No,I do not think there is anything further.

MR.GUILFOYLE: I would like to reply to that;as to taking up redeemed tickets, the actual counting and calculation of all the tickets that come in through the boxes has been done,but it was not continued because it is a most expensive thing to do. It is regarded as sufficient to do it by a check. The $1,000 reserve put there was considered by the accountants of the Commission and by myself as sufficient to cover outstanding tickets,for the chief reason that it was a straight 5¢ fare,and there is a great deal of cash going through the boxes, - I cannot tell you what proportion offhand,but there is a great deal of cash,and not anything like the aggregate amount in tickets. The tickets outstanding were reduced to a fairly normal amount.

COMMISSIONER R.A.ROBB: You took the short method of assuming a certain amount as being fair andyou put that in so as not to have so much bookkeeping and accounting? A. Yes,and at the end of 1922,when the method of fares was changed to so many for a dollar and 6¢ cash fare, we increased the reserve.

THE CHAIRMAN: Is there anything more,Mr.Bonthron, that you would like to say?

MR.BONTHRON: I think of nothing else.

---Page 2330 follows.

H. W. WILSON

Mayor of Windsor.

TO THE CHAIRMAN:

Q. You are Mayor of Windsor? A. Yes.

Q. What have you got to say to us about your street railway? A. Really, Mr.Chairman, I have not very much to say. I came up to see what you had to say, as this was all more or less something that we knew nothing of. We did not know that you were even coming until we received notice a few days ago. I was under the impression that, of course if we had wanted an inquiry we would have sent a communication to you and you would consider whether we did or not. Up to the present time the municipalities, I cannot speak for the other municipalities besides Windsor, but I have no recollection of asking for an inquiry, so really the whole thing, as far as I am concerned, is what you have to say to me or ask me.

Q. Is the system here entirely satisfactory to you?

A. Well, that is rather a broad statement, I would say generally speaking it is much more satisfactory than what it used to be.

Q. Is there any improvement which you would suggest or is there anything in connection with it which you approve or disapprove of? A. Not a great deal as I can say off hand. I will admit that from time to time if we did feel that there was anything we wanted we took it up with the Commission, whom we feel has authority to adjust these things.

Q. All we have to do is to inquire and report on how we find things? A. We have found in dealing with the Commission, generally speaking, they have dealt with us as we would require, not always as fast as we would wish sometimes, they have some excuse that their time is taken up in a good many channels during the last twelve months, but generally speaking I would say that conditions are greatly improved.

Q. Is there any change that you could suggest that could be made to make it still more satisfactory to you? A. On what lines would you suggest?

Q. I do not know anything about the road, I am here to learn something about it, you should know something about it? A. I do not know a great deal myself where I can see that it can be improved, except from time to time working along with the Transportation Committee. If we did see things we have taken them up with the Commission and up to the present they have usually complied with our wishes as regards construction and things of that nature.

Q. So that you say at the present time, speaking generally, the system is quite satisfactory to you?

A. I would not say it is quite satisfactory, I say taking into consideration the re-construction period, it has been very satisfactory, taking into consideration the way the tracks have been torn up.

Q. As satisfactory as could reasonably be expected?

A. I would say so.

Q. Are the fares satisfactory, do you think they are

fair and proper? A. I have to go chiefly by the Commission's report on their financial condition. I would say that the fare must be made so as to be self-sustaining, there is no doubt whenever an increase in fare is made there is protests from somebody, and there have been certain protests put up from our own members on some of the things that you have heard reported of the financial standing; I myself, personally, agree with the Commission's view of that.

Q. Of what? A. That the fare ought to be put in this way to make up the revenue that might be derived, where they have not had, according to their own statement, an opportunity of knowing just what fares can be, not having had an opportunity to run under normal conditions up to the present time.

Q. Is there anything further you would like to say about it? A. I do not know, myself, I am quite willing to answer any questions you may want to ask me..

TO COMMISSIONER R.A.ROSS:

Q. Do you find the service adequate for your needs?

A. Generally speaking, with the exception probably in the rush hours. Of course there is a crowded condition at that time but I am given to understand, by the Commission, that there are large cars coming in and that may greatly relieve that condition.

Q. We have complaints from various sources that too much money has been spent and too much money wasted, do you find that here? A. I have not noticed it, I know they have spent a lot of money in rebuilding these tracks, it costs a lot of money to do the work.

Q. You have a Transportation Commission of your own?

A. Yes.

Q. Have they any criticism to offer? A. I do not know, they are here and have been subpoenaed and probably will answer for themselves.

TO COMMISSIONER J.A.ROSS:

Q. Before the Hydro Commission took over the operation of this railway it was in a run-down condition, the service was very unsatisfactory, is that correct?

A. There was a number of complaints at times.

Q. In other words, the comparison between the operation at that time and the present time, you would say there is a very much better class of service and more satisfactory in every way? A. I would say so.

Q. In general that is your opinion? A. Yes, there is one thing, you must realise this is a growing community and the population is growing very rapidly and therefore maybe six months ago you might have a good service and in another two months a lot of people come in here and they might still demand more improvements.

Q. You would regard the rehabilitation of a run-down railway,from the standpoint of the citizens of Windsor, as a very great asset? A. I would think so.

Q. In other words you feel you are getting good value for what you bargained for? A. I think we will get it better than we have.

TO COMMISSIONER R.A.ROSS:

Q. How do you find the one-man cars, are they satisfactory? A. There is a difference of opinion on that, it depends on the condition of the traffic and

what they are carrying. I would say at certain times of the day, probably, they are all right but during other parts of the day, it seems to me, they are not.

Q. It is a question of peak loads? A. Yes.

TO COMMISSIONER J.A.ROSS:

Q. How many one-man cars have you? A. Seventeen, there are more cars running today than there were previously.

TO COMMISSIONER HARRIS:

Q. The operation of the one-man cars is reducing the cost of operating? A. I would assume so, although I am not a traffic man, it is reasonable to expect it would.

SIR ADAM BECK: We have ordered and expect delivery in the course of eight or ten weeks, four large cars to take care of the rush hours.

MAYOR WILSON: I understand that provision has been made.

ALEXANDER McKEE,

Mayor of Sandwich.

I do not know that I am authorized to be a witness here, I have not been served.

THE CHAIRMAN: We will authorize you.

Q. Is there anything you wish to say about the railway? A. The service in our town is not good.

Q. In what respect? A. There seems to be plenty of cars but they are not properly distributed, they run in bunches; that is the biggest trouble with the patrons of the cars. The one-man car is not suitable

at all for the traffic on that line.

TO COMMISSIONER HARRIS:

Q. What is the population of Sandwich? A. Five thousand, the one-man car, it seems to me, the motorman tells the people to get back in the car and he carries the people over different steps. The people won't ride in the back and they force themselves to the front so as to be able to get out. If a man is going half way to Windsor he stands in the front of the car and the motorman cannot get him to go back and the front of the car is congested. These cars look to me to be death traps. If there was an accident there is no possible way for the people to get out of the car, you might actually find that the citizens will get in arms and some night you will find one or two of these cars turned up in the ditch.

Q. Have not you got through cars? A. We have cars every hour. The seats are very poorly constructed in the one-man cars. They are all right for a small person or one person but when you sit on them they slide down and you cannot sit on them properly.

Q. Are they too thin, too short or too long?

A. Some of the Windsor fellows came down there and get a little load once in a while and they cannot sit right.

Q. Are you anxious to direct the Windsor traffic to Sandwich? A. Our Council this year is not properly constituted yet, the Windsor election comes off the first of the year and our election is later and our committees are not formed. The subject of street

cars came up and I believe Mr.McGill would like to take the matter up with a Joint Committee in the Border Cities. When we first started to take over Hydro I was one of the principal ones that was against it but Sir Adam Beck came over there three or four times and it was voted down in Sandwich and Sir Adam Beck came to Sandwich and made a speech there and he misled the people, which is no unusual thing.

TO COMMISSIONER HANEY:

Q. Did he convert them? A. He told them if they took over the road that the fares would be less, four cents and probably less and he told them there would be a Commission appointed according to each municipality's population, a local Commission; Windsor,probably, would have three representatives, Sandwich one and so forth and for local complaints that Commission would act. That Commission has never been appointed.

Q. How is it that Windsor has a Commission? A. They have a Commission for Hydro but not for street railway service, I am talking about the street car question now. During the meeting Mr.Donnelly asked him if we voted for it and wanted to take over the road, would the tracks be paved inside on London Street and he said yes, they were doing it in other municipalities and they would do it there, and he agreed to one other proposition where Mr.Anderson was going to bridge over the creek and $1,200 or $600 was to come back to the town. These are some of the things I have noted down, not word for word of what he said, as I sat on the platform.

TO COMMISSIONER HARRIS:

Q. Do these cars run right through Sandwich without any other service in the town? A. Yes, right straight through and they turn at the loop. In the morning I went out in front of my place and a gentleman was waiting for the car and had waited for nearly half an hour and no car came. There were three cars standing in front of the Court House all at once, that was eight o'clock in the morning. Another time a lot of cars were down at the loop all at one time and no cars in service along the line. It looks to me that the thing is congested just the same as when Mr.Anderson had it. The congestion is in the same place. If Windsor had given Mr.Anderson the same privilege that they give the Hydro he probably could have removed it but if you notice the car coming up from Sandwich has to go around and pass five traffic officers and then come back to the same point and goes down to the car barns and the tunnel car has to get away after that car goes out. If that car went out the River Road before the tunnel car that congestion would not be there. A street car company is not supposed to look for people, they are supposed to give transportation service and a rapid service and the people will hunt the cars. A car is not supposed to go around a loop five or six times looking for customers. The customer will look for the car if he gets good service, that is my opinion. There is a little piece of double track that Mr.Anderson had finished at the car barns, that is still a single track. I went down about three weeks ago with a man and the motorman stopped

there and I said, "Why don't you go on to Sandwich?" "Oh" he said, "I am waiting for the Sandwich car" and I said, "That has not come around the Catholic Church yet" and he said, "No, I know it has not" and I said, "Why don't this company double track here?" He said, "I don't know" and I said, "Do you want me to tell you why you don't go to Sandwich?" (Excuse this expression) I said, "I will tell you, because you are too damn lazy to go and open that switch and you wait for the Sandwich car to come two miles to open the switch for you to go out on the double track." and that is the fact. These are the things that want to be remedied. I believe that since they have taken over the road Mr.McGill and the Commission have done everything in their power to improve the system but these things still stand there and you cannot tell the public different and the public are dissatisfied all along the line, man after man. Now they made a big kick to me the other day about the heating system in the cars, the working men going up in the morning claim they are pretty nearly frozen. About three weeks ago they were coming up on one of the cars going to Ford and the conductor had to get out of the car and go into the power house and get warmed and they had to put another conductor on because he was frozen to death; these are actual facts that I am giving you. There is not story about it, I can bring the man that it happened to. I will tell you what, I was three weeks around electioneering and I went into a Chinese restaurant to get something to eat and I went into the back room because there was no fire in the front and a motorman came in and ordered a

lunch, he went down the line and came back with two passengers in the car. I thought he would take the lunch on the car but he boldly sat down and ate the lunch and the two gentlemen waited in the car until he got through.

Q. You could not get any votes under these circumstances?

A. Yes, I did, I got quite a few, I am just giving you the facts as they are and these are the conditions. I believe if a Committee was appointed or some system got at whereby the public could get in touch with Mr.McGill once or twice a week or something of that kind, these difficulties could be remedied.

TO THE CHAIRMAN:

Q. Why could not you appoint a Committee of the Council?

A. We will pass a resolution next Monday night to appoint a Committee. We understood that it would be a Joint Committee with the other municipalities along the border to take up this very subject.

Q. You do not know why they have not appointed a Commission? A. No, I was told that the reason given was some fellow might say it was for political purposes.

Q. Of course the Hydro is not in politics? A. I understand that thoroughly, you asked me why and I am telling you the facts.

TO COMMISSIONER J.A.ROSS:

Q. Have you ever presented these facts in any form to the Hydro? A. I was in the Council for 12 years, I was Reeve and I was Warden of the County of Essex when we took the lines over and I have been out two years and now

I am elected Mayor.

Q. Have you presented these facts to the Hydro?

A. I talked to Mr.McGill the other day about it privately and he said he would do everything in his power to remedy the difficulty and I told him as soon as we got in working order Sandwich would appoint a Committee to take the matter up with him but the Council saw fit the other day to pass a resolution whereby a Border Committee composed of so many from each municipality would be appointed to take the matter up. There is a little difference in the Councils, one comes in the first of the year and the other in December.

TO COMMISSIONER J.A.ROSS:

Q. I think I understood you to say that Mr.McGill has done everything he can? A. I think he has since I have been in power, the last three or four years.

MR.GABY: As to the heating of these cars, we had certain recommendations of the manufacturer as to the quantity of heat necessary and the necessary number of radiators to put in the cars to heat these cars and that recommendation was for a car with only single sheeting and single flooring and we have double sheeting and double flooring. We put in what the manufacturer recommended as far as heaters are concerned and we allowed for possibly 50% more. We find these cars are not being heated adequately, that was in the early part of December and the Commission immediately ordered extra heaters and they have been on the way ever since the early part of December and I believe they

are on the way by express now and they will be immediately installed and I trust we will have satisfactory heating. We know the cars are cold and we took steps to correct that early in December.

TO COMMISSIONER J.A.ROSS:

Q. Would not it be well if you had some medium of conveying that information that you have just given us to the Mayor or to the local Commission of Sandwich, so that it could be disseminated among the people?

MR.GABY: Mr.McGill took steps to give that information to the public.

MR.McGILL: It was published in the local papers as a local item, and I told Mayor McKee and the Alderman and the conductors have been informed that the heaters were coming and as soon as they get here we will put them in, the cars are all wired ready to put them in.

MR.GABY: We took the manufacturer's guarantee and we wired the cars for 50% more, these heaters were not of sufficient capacity to heat the cars, as Mr.McKail said, we tried to inform the public of the condition.

COMMISSIONER HARRIS: Was the statement Sir Adam Beck made correct when he said the fares would have to depend on the traffic and they might have to be increased to six, seven or eight cents?

THE WITNESS: He did not say that when he took over the lines in Sandwich; I do not know what he has said since.

TO THE CHAIRMAN:

Q. He says before it was taken over he told the people

the fares might have to be increased to six, seven or possibly eight cents? A. I do not know, I was working around in Ford and other places, talking my head off about taking the road over and they went down into Anderdon where they voted against it and I tried to explain it there and I got in touch with the Reeve there but I did not hear anything about an increase in fares but I heard Sir Adam Beck, say from the public platform, I can stand on the same spot where he stood when he said that they would be four cents and probably less. I took it down in a little red book that I have in my vest pocket.

Q. Is Sandwich satisfied with their bargain? A. It is if the people get a better service, that is what they want, service and heat in the cars. We are a growing community down there and we have local improvements to take care of for probably 30,000 people and we only have a population of 5,000. There is a wide territory for people to build homes in and some of them are building magnificent homes and transportation is the biggest subject in these Border Cities, it is one of the biggest subjects that we have on hand. The whole country here is a growing community and if we do not have good transportation we cannot get the people to come and locate here.

TO COMMISSIONER J.A.ROSS:

Q. I understood you to say that since you became Mayor everything has been running fine and that Mr. McGill and you are working hand in hand? A. I do not know about that, it has not got in working order yet but I

have good transportation we cannot get the people to come and locate here.

TO COMMISSIONER J.A.ROSS:

Q. I understood you to say that since you became Mayor everything has been running fine and that Mr. McGill and you are working hand in hand? A. I do not know about that, it has not got in working order yet but I

think Mr.McGill will do everything in his power but that does not satisfy the public generally, the public want quick action for their money, that is what they want.

MR.GABY: Mr.Robertson may be able to give a little information as to the service and the number of passengers carried in that district and the number of cars and so forth that are going into Sandwich and he may be able to explain this grouping of the cars.

COMMISSIONER HARRIS: Is there any intention of having a local Commission appointed here?

SIR ADAM BECK: The object of the Hydro has been, through its Superintendent in the district, to co-operate with each individual municipality as to their special requirements and I know in the case of Windsor there is a Transportation Committee of the Council and they bring their grievances to us and we would prefer that to any member of the Council coming because it puts the Council in an embarrassing position if each member has to go to the Superintendent, but if the matter is referred to a small committee of the Council then anything that is feasible or practicable in the operation of the road, they can state their wishes and they will be carried out. Small local matters are left to the Superintendent and any matters of importance are referred to the Commission. I think that is the only way we can give satisfaction and that is by keeping in close touch with the municipalities. We would prefer that always,that a sub-committee or someone delegated by the Council should confer with us and that would

eliminate a great deal of waste time or duplication of effort on the part of the Aldermen or Mayor and we have always encouraged that.

THE CHAIRMAN: You think that would meet the situation?

SIR ADAM BECK: Any more than we ought to have a competent superintendent and if he is not competent we will engage others. We have had no/plaints of lack of effort on the part of our Superintendent here, he has done everything possible to meet the wishes of the travelling public and their representatives in the Council and they are all at liberty to deal with him locally, he is always on the spot and available and if the Council see fit to delegate one person or several, or joinly all the municipalities appoint someone, that would simplify matters, it would not be necessary for every member of the Council to go to the trouble of trying to make complaints about the service. I do not suppose we will ever reach the point of perfection and please everybody.

TO COMMISSIONER HARRIS:

Q. Do you think there would be any objection to having the various municipalities appoint a Joint Committee?

A. They could do it anyway they pleased to suit themselves.

Q. If they could get together week by week and put their complaints before you? A. A special committee is better than to have a large number and they could turn their complaints over to the person delegated by the Council to hear them.

Q. Why should not these persons act as a clearing house so that the municipalities could act together?

MAYOR McKEE: That was one of the reasons the Town of Sandwich voted for it, they thought that would be put in operation and that is the reason they voted for the Hydro taking it over. There was a big fight there between the Hydro and the Edison people and it was hard work to carry it. It has not been carried out as the people expected.

SIR ADAM BECK: With all due regard to what the Mayor's impressions are, I think he has an entirely wrong impression that there was any such thought or idea that we had any authority other than to carry out the Radial Railway Act, that Act appoints the Hydro Commission trustees for the municipalities and the Act does not provide for another body becoming responsible for the operation of the road.

MAYOR McKEE: That was not the idea, the suggestion was to hear all complaints from the citizens.

SIR ADAM BECK: You can appoint anybody you like, we want co-operation and we have always had it.

MAYOR McKEE: You should not have promised it at a public meeting.

SIR ADAM BECK: What, that there would be a Committee?

MAYOR McKEE: Yes, 150 or 300 people heard you say that.

SIR ADAM BECK: I may have suggested.

MAYOR McKEE: You did not suggest anything, you said it.

SIR ADAM BECK: That we would appoint a committee?

MR.McKEE: There would be a Committee apointed and a Commission from the municipalities according to their population.

SIR ADAM BECK: No.

MAYOR McKEE: I can bring dozens of men, 150 of them, there was over 300 people in the audience. I can bring 150 of them here tomorrow.

SIR ADAM BECK: I might have suggested that we would get close co-operation.

MAYOR McKEE: You did not suggest it,you said it.

SIR ADAM BECK: I have no authority to appoint committees, I might have suggested that they appoint a committee between themselves with authority to confer and bring forward any suggestions or complaints they might have.

MAYOR McKEE: You said that this Commission would be appointed wither by vote of the people or by the Council themselves.

MR.MITCHELL: You are talking about light.

MAYOR McKEE: No, I am not.

THE CHAIRMAN: It is quite within the power of your Council to appoint an individual or a committee and it might be a very good thing to do to get in touch with the Hydro. Sir Adam Beck says they would be pleased to confer with such a Committee.

MAYOR McKEE: Our Council wants to co-operate with the Company in every way so as to get good service, that is what we want.

THE CHAIRMAN: If you will appoint this Committee they will co-operate.

MAYOR McKEE: If you make a statement to the public it is pretty hard to change it, once they get a thing into their heads it is hard to change it.

TO COMMISSIONER HARRIS:

Q. If you get co-operation between all these municipalities, and you seem to have it here, it will be a great deal better than Port Arthur and Fort William; you are not at daggers drawn like they are? A. No, sir, we are not.

COMMISSIONER R.A.ROSS: We are here to hear complaints and suggested remedies. You brought up the question that the seats on these cars will not accommodate one of these big gentlemen, that was not mentioned by the Mayor of Windsor. Is it possibly that only the Sandwich people are troubled in that way?

MAYOR McKEE: The Mayor of Windsor is a very modest man, some of the others may make a mistake.

SIR ADAM BECK: Do we pass by a brewery on the way to Sandwich?

MAYOR McKEE: Yes, sir, we do.

THE CHAIRMAN: Perhaps they will provide special seats for these gentlemen.

J. H. COBURN,

Walkerville.

TO THE CHAIRMAN:

Q. Where do you live? A. In Walkerville.

Q. Do you know anything about this railway? A. I ride on it occas ionally and it passes my office. I do not know whether I can given you any information or not.

Q. Is there anything that you would like to bring to our

attention, is it capable of improvement in any way or is there anything about it in any way that does not meet with your approval? A. I think the service is vastly in need of improvement.

Q. In what respect? A. In time principally.

Q. What changes do you think should be made? A. I think we should have a more frequent service than we have from Walkerville. I do not know what service the railway is attempting to give but I know that it is very irregular and very unsatisfactory.

Q. Is it not frequent enough? A. The chief difficulty as far as my observation goes is in the handling of the traffic. We find the cars running in two and threes and often four in a bunch and then you will probably have to wait 15 or 20 minutes for another car. On Wyandotte Street between Windsor and Walkerville they have a double track and they seem to have cars enough if they were run at more regular intervals.

Q. What schedules have you between Windsor and Walkerville? A. The last schedule I saw published was 15 minutes, I do not know whether that is right or not.

MR.ROBERTSON: Twelve minute schedule on the Walkerville Road and a twelve minute service and a ten and eight minute service on Wyandotte Street during the day, it would run possibly three, four or five minute service at the outside.

MR.COBURN: I have waited many times 15 minutes.

SIR ADAM BECK: What service did you have before?

MR.ROBERTSON: There is a little over 50% improvement in the service.

There may have been some delays on Wyandotte Street on account of construction, we have had construction going on there during the summer and that caused more or less delays and there was also difficulty there through a re-arrangement of the power situation. We only had 175 volts intead of 600, we are trying to correct that. As far as bunching on the Sandwich line is concerned, we are running extra cars throughout the day. We run an eight minute service in the morning and a 12 minute service from 8:30 to noon and and eight minute service during the afternoon until about eight at night and in addition to that we run a very large number of extra cars and two car trains to take care of Ford and they make several trips up and down. You may find three or four cars together but they are not bunched. I happened to be in the office when a complaint came in and the Superintendent was in the Waiting Room and the Assistant-Superintendent was at the end of the Sandwich line and it was complained that four cars were bunched down there and I checked the matter up for two hours after that and every car was on time. We are making checks all the time and we have turned these checks over to the newspapers at different times and it has been shown by these checks that the service is quite regular. We have had complaints from the Council and from the Councillors down there about the service at Sandwich and we have had complaints from citizens and we asked them to put a man on for three days and take a check and we would pay them and they put a man on and made a check and we have the checks here and they show the actual time the car ran and

I can present these checks to the Commission. There may have been some little irregularities on account of construction but our checks show that the cars were running on schedule time.

MR.COBURN: I was speaking especially with regard to Wyandotte Street and not last summer when there was construction going on, and only today In coming down here I passed two cars right together and the night before last I passed four in a bunch on Wyandotte Street, all going the same way.

SIR ADAM BECK: What hour would that be?

MR.COBURN: Today I passed two cars just about twelve o'clock.

MR.ROBERTSON: That cannot be helped.

MR.COBURN: On Tuesday night about eight o'clock I passed four in a bunch, the first car was crowded and the other cars only half full and that is a matter that can be easily remedied by a little superintendence of the men. When a car is full it should not stop at every crossing to pick up passengers, I think that is the chief difficulty.

MR.ROBERTSON: Sometimes you may see two cars going down together but that is on account of sending out extra cars and on account of the additional service from the Walkerville Road.

COMMISSIONER HARRIS: I suppose that is one of the busiest lines, between Walkerville and Windsor?

MR.COBURN: I think it is. I might say that the franchise of the street railway fifteen years ago

called for a seven minute service between Walkerville and Windsor.

Q. That franchise has not been stopped? A. I know that and it called for a seven minute service and when the company failed to give it they were sued and judgement given against them. I do not think in a City, three times as large as it was then, that a fifteen minute service or a ten minute service is adequate.

Q. The same law would apply now as then? A. I know that but we are not getting the service.

Q. Why don't you sue them again? A. We cannot, that is up to the municipalities if they want to do it, I do not know that they want to, I think they take what is given to them and say nothing.

TO COMMISSIONER JA. ROSS:

Q. Do you find the service today a great deal better than when the Hydro took it over? A. It is in certain respects, the road bed has been vastly improved.

Q. Would you rather have the conditions as they are today than they were before the Hydro took it over?

A. Well, I can only say that it takes longer to get from Windsor to Walkerville than it did before and it takes longer to get back.

Q. Are the cars better? A. The cars are better, the cars are very much better and the road bed immeasurably better, there is no question about that.

Q. Would you rather ride on a poorer car and get there quicker? A. I would like to make time and get to where I am going in a reasonable time.

Q. What do you think about the suggestion that the Council should have a Commission or a Committee to confer in these matters with the Hydro representative? A. I do not think the operation of the road should be in the hands of the Councils.

Q. To bring matters before the Hydro? A. That is up to each council, I think the Council would be well advised to appoint a Transportation Committee to confer with the Hydro Commission and to bring these things to their attention.

TO COMMISSIONER J.A.ROSS:

Q. Suppose there was a Committee composed of one representative from each municipality, do you think there would be any trouble in getting co-operation of your fellow municipalities? A. I really do not know.

TO SIR ADAM BECK:

Q. Are you a member of the Council? A. No, I am giving my views just as a suggestions, I do not know why I was picked on.

Q. I thought you would have a Ford car of your own?

A. I have better than that but I ride on the street cars as well.

COMMISSIONER J.A.ROSS: You are solicitor for the Municipality of Walkerville? A. No, I am not.

TO THE CHAIRMAN:

Q. Is there any difficulty on the part of the councils in communicating with the Hydro and in co-operating with them in any way? A. I really do not know what the relations are. I do not think we are getting service for the money we are paying and I think it is a matter

that could be very readily righted by proper supervision.

DR. P. N. GARDNER.

Chairman, Transportation
Committee, Ford City Council,

TO THE CHAIRMAN:

Q. Ford is a separate municipality? A. Yes.

Q. Is there anything that you would like to bring to our attention? A. I can heartily endorse the Hydro situation as compared with the service we had here under the D.U.R., we had a two hour service and in summer time an hourly service and today we have a twenty minute service and that is absolutely inadequate but nevertheless at any time whenever we have taken steps to interview the Hydro Commission or Sir Adam Beck we have always been received with the utmost courtesy and any suggestions or any requirements that we have made, I have found, they gave us the utmost consideration that could possibly be given. I want to say this that I do not appreciate how we could expect efficiency when year after year, to my knowledge three years, there seems to be an organized opposition to Sir Adam Beck and Hydro, whether it is political or not I do not know but I do fear for the Hydro interests in this community as a result of that.

Q. Is that confined to Ford? A. I am just speaking my views.

Q. Is that in your own locality that you find it?

A. I find it generally with people I speak to throughout the Border Cities. I was talking with one of the officials

in Windsor today and he was under the same impression. In other words, if Sir Adam Beck and his organization's time and energy are going to be taken up in defending themselves and their position so constantly and continuously we cannot expect to get the service and the energy and the efficiency of Hydro that otherwise we would get. In the year 1919 there was one vote in Ford in opposition to the Hydro taking over the D.U.R. and I understand that vote is dead now.

Q. You cannot have much opposition to them there?

A. I do not hear of any. We are not satisfied with our present service, it is only a matter of yesterday morning that we conferred with Mr.Robertson and Mr.McGill and they now have under advisement giving us improved service which we have got to have this coming year in order to cope with the situation. We expect to rise in Ford City as a result of the Ford Motor Company's huge development in that town and it is a matter they are taking up and we anticipate results simply as a result of meeting in conference with the Hydro officials; we are satisfied with regard to it. Ford is just the other side of Walkerville.

Q. Why should not your Council get in touch with the Commission? A. We do.

Q. And draw all these things you speak of to their attention? A. We do it, we are proceeding regularly.

Q. Could not all the municipalities here do that?

A. Well, our complaints might not coincide with Sandwich complaints or they might not correspond with

Windsor or Walkerville complaints. We might have complaints peculiar to Ford and they could be brought to the attention of our Council and our Transportation Committee could immediately have an interview with the Hydro officials and as I have said we have always found they give us very fair and courteous treatment.

Q. You think it would be better for them to act separately than united? A. I have not considered that but Ford City is quite satisfied acting independent, that is my own personal opinion, we have not discussed it.

COMMISSIONER JA. ROSS:

Q. Why is the service inadequate? A. A twenty minute service.

Q. Is that the only point? A. Yes, it is not sufficiently frequent.

TO COMMISSIONER HARRIS:

Q. At what period of the day? A. It is never sufficient, in other words I had an occasion one time in Toronto in speaking with Sir Adam Beck and Mr. Gaby to inform them that Ford was one of the first municipalities to endorse Hydro and the last to get service. That condition, I understand, will not continue to exist.

SIR ADAM BECK: It has improved to what it was and there has been enormous industrial expansion in Ford? A. Yes, and we have sufficient confidence in you to know we are going to get service.

SIR ADAM BECK: We are going to see that the municipalities have a Transportation Committee and I suppose the Chairman knows of our organization locally

and if you cannot get what is fair you can come to Toronto, that is the way we intend working and we are trying to work in that way and co-operate with the different municipality's representatives, and I suppose you are Chairman of the Transportation Committee? A. Yes, I was keenly interested in this railway proposition from the standpoint of service. In Ford City service is one of the most vital things. The only reference I ever heard to fares was that we would get service at cost; I did not understand that we were to get a four or a three or a two minute service. I understood it might cost us six or seven cents and it might drop again to five; it is just a matter of covering the expenses.
Q. Are the cars that run into Ford on a twenty minute schedule crowded? A. They are packed.

SIR ADAM BECK: You understand at the end of the year if we have a surplus we are obliged to turn it over to the municipalities in proportion to their liability? A. Yes.
Q. We can't keep it in the Hydro it must go to the municipalities? A. We appreciate that.

COMMISSIONER HARRIS: On the other hand in the management of the road you have got to take into consideration the density of the traffic you could not run empty cars?

SIR ADAM BECK: That is a matter for the local people, if we can show it would entail a loss they might say, "Yes, we realise that". I think it is all co-operation. A private company does not regard service at cost, they want to get dividends. In this case we must have an eye

to economy and the other municipalities might object to giving a service that would not be justified. We have to have regard to that, our organization is at your service,

THE WITNESS: Our main regard is for service and yours is for economy.

SIR ADAM BECK: Unless you give the service you cannot get the business, the travelling habit is what we want to cultivate and if the people have to wait too long for a car they will walk.

TO THE CHAIRMAN: I suppose there are certain hours in which there is a rush, the Ford City men going to their work? A. Yes, there are additional cars put on at that time. Right now I want it clearly understood that Ford City is absolutely dissatisfied with its service but we are not coming here to this Commission with any complaints whatever. We are going in the regular course as we did yesterday to see Mr.Robertson and Mr.McGill, they are taking these matters under advisement and as we had occasion to do in 1921 and we got our requirements. We have absolute necessity for an increased service. The present service is prejudicial to the interest of Ford City. The present service is now in the interest of Windsor, Walkerville and Sandwich because the people will not live in Ford, they will come where they can get service.

TO COMMISSIONER HANEY:

Q. Between what point and Ford should your service be increased? A. To the town limits.

Q. Of Windsor? A. For Ford itself we should have a ten minute service.

Q. Not necessarily between Ford and Windsor? A. Yes, from Ford to Oulette Avenue, there is immediate need of that.

SIR ADAM BECK: There are meetings going on all the time at Riverside and your population has doubled while we are sleeping? A. We have doubled our population in the last very short time and we hope this year with a care service we will probably triple or quadruple our population in the next year. We want car service and if we get it we will treble our population in view of the fact that the Ford Motor Company will be, - I understand withing 15 months, they will spend between eight million and nine million dollars to extend their plant and it will cover 15 acres of ground and will employ from 5,000 up to 10,000 men. These men will have to come in largely from the outside and if we have facilities to offer in Ford we will get them in Ford and if we have not they are going from Ford.

Q. That will be an outlet for business for the Commission?

A. It is very good.

TO COMMISSIONER HANEY:

Q. Whether they stay in or go out? A. It is up to us to see that we get the service in Ford City to meet their requirements.

TO COMMISSIONER J.A.ROSS:

Q. You regard the operation of the railway under Hydro as much better than under the old regime? A. Oh,my,yes, there is no comparison.

MR.ROBERTSON: One of our difficulties in Ford is that there is a single track on a very narrow street on the water front and it runs for a mile along that street

and we cannot double track it or put in sidings and the only solution for taking care of the increased service up there practically in view of the construction of the Ford plant is the opening up of Wyandotte Street in Ford. There is only one street between the river road and Tecumseh Road which is about two miles and a half south except one little street that leads to nowhere, called Edna Street. We send eight and ten cars every night to Ford.

EDWARD BLAKE WINTER.

TO THE CHAIRMAN:

Q. What is your business? A. Real Estate and Insurance.

Q. Have you been in the City Council? A. Yes, sir, I was Mayor during 1919-20.

Q. Were you Mayor this last year? A. No, sir, Mayor Wilson has been in for the year previous to this year.

Q. You were Mayor when the agreement was made? A. Yes, sir.

Q. Have you got on behalf of the town anything to say about the Hydro Electric Power Commission? A. Yes, I was in the City Council at the time we first suggested to the Hydro that they show us the way to acquire the road. We went to the Hydro first and we had carried on negotiations with them for sometime before they ever came to the point of the Hydro taking over the lines for the municipality.

Q. What were the nature of these negotiations?

A. The majority of the people through the Council, I believe were dissatisfied with the operation of the line

previous to the taking it over and we were looking for a better service and for improvements and I being,a municipal ownership man, I felt that the proper solution of it was taking the road over by the municipalities. Inasmuchas the road ran through a number of municipalities there seemed to be no way of the municipalities acquiring it unless it was through some joint body and the Hydro Electric Power Commission seemed to have power to do that and we appealed to them.

Q. There was no law under which you could have all acted jointly except in that way? A. That was the way that was pointed out to us as the proper procedure to go about acquiring the road.

Q. That was the real reason for your going to Hydro and asking them to come in here? A. Yes, sir.

Q. Was there any negotiations as to power from Niagara about the time you were in? A. Before that time the people here had voted on and had Hydro Electric power here for lighting and for power service, that was already in the municipality before these negotiations were considered at all.

Q. Did you receive any estimate from them as to the cost of power? A. That came under the lighting, we were not taking up with the Hydro the cost of power for the operation of the road.

Q. I am thinking of the requirements of the City generally for all purposes, had you anything to do with the negotiations prior to becoming an Hydro municipality?

A. No,I was not in the Council at that time,, that was years before,that told the municipality what power

would cost and it was put up to the people and they carried it and the Hydro transmission lines was put into the municipality. The power was here before the railway proposition was broached.

Q. Is there anything that you want to say about it?

A. There is something regarding fares that I believe I might just as well state to the Commission although I want to say at the outset that I am a municipal ownership man and very sympathetic to the Hydro. Anything that I might say is not to be said in the term that I am criticizing the Hydro Electric Power Commission because I believe they have probably done the very best they could in the municipality under the conditions as they have been and considering what they took over, but I believe if there is any misunderstanding at all it is simply on account of the Hydro not taking the municipalities into their confidence. They have been operating the line here since April 1920 and it is only within the last three months that we ever got a statement from them telling what the road was doing. I believe if the Hydro Electric Power Commission had been frank with the municipality and told us what they were doing and gave us a financial statement as to what the road was doing, what it was costing, I do not believe you would have a single solitary person in the whole of the Border municipalities that would have anything to say detrimental or that would want to criticise the Hydro Electric Power Commission.

Q. Have you not had a statement? A. The only statement that I ever received and the only statement I know council

ever received, is one received here, I think it was, the latter part of October of this year, that was the first statement from the Hydro.

MR.GABY: I believe you saw in the papers in 1920 the statement for the first eighteen months, giving the operation for the first six or seven months?

A. That only bears out the statement that I made previously, that I do not believe the Hydro Electric Power Commission have been frank enough with the municipalities. Instead of sending that statement to the Councils of the municipalities it was published in some paper and I never saw it.

MR.GABY: We send to the municipalities a copy of the annual report and in that report each municipality gets the financial statement and one or more copies of that report is sent to the Clerk of each municipality.

THE CHAIRMAN: Do you mean it is a similar statement to the one Mr.Clarkson gave?

MR.GABY: Yes, that is the only report we have.

Q. That just shows what we have been talking about this afternoon?

MR.GABY: Yes, it takes about four months to get the statement of the Commission properly adjusted and the balance sheet prepared of the previous year and after that is figured out it takes probably another month to print, usually they are completed during the session of the Legislature.

SIR ADAM BECK: The statement we issue regarding the railway is identical to the Statement that every

municipality in the Province of Ontario gets in regard to their Hydro operation.

Q. Should not a typewritten statement be sent to them at the end of the year so that they would get it about a month after the end of the year.

SIR ADAM BECK: It only requires a few weeks to print it. It may be done but the Hydro Commission has a large number of reports to get out and they have to be approved of by the Auditing Department. The Railway report is identical with the Hydro and if they have been unfortunate enough not to see them it is because they have not been given out by the Clerk of the Municipality.

THE WITNESS: The report might have come to the City Clerk and been filed away but it never came before the Council. I know the Council this year wanted to get a statement and they passed a resolution asking the Hydro Electric Power Commission to furnish them with a statement and the statement did not come for four or five months afterwards.

SIR ADAM BECK: We told you we could not send it until it was approved of by the Auditors and completed.

THE WITNESS: You might have called our attention, at least, to the fact that an annual statement in booklet form had always been mailed to the municipalities.

SIR ADAM BECK: Do you think you did not get all the documents we sent out?

THE WITNESS: You must have imagined we wanted something when we sent a resolution of the Council asking you for it.

SIR ADAM BECK: Did you ever feel in the many private and personal interviews you have had that the Hydro did not give all the data and information at their command?

THE WITNESS: No, I said that a little while ago many times we have visited your office and we have always received courteous treatment there but we have not always got what we went after.

SIR ADAM BECK: Do you mean in the way of information? A. Not so much information as yes or no, that is what we did not get.

SIR ADAM BECK: I think you did get yes or no, but no did not suit you? A. No, I did not say that, we were looking for the interest of the people. I would call attention to one deputation when I was authorized by the City Council to visit Toronto in regard to the one cent transfer fare which had been put on these trackless trolley buses. We had been asking for improvements and extensions in the southern part of the City. Rather than give us these extensions the trackless trolley bus was suggested and that was put on in the southern part of the City. The Hydro asked the City for permission to erect poles on the route they selected and the Council gave that permission on condition that the rate of fare would be exactly the same. The Commission started working but the poles did not suit the residents in that particular locality and they objected to the Council and the Council objected to the Hydro Commission erecting the wooden poles.

After considerable discussion to and fro they put up iron poles wherever a pole was needed, using the wooden poles that were there on the opposite side of the street, but without asking the Council or advising with the Council, when the buses were put in operation, they put on this additional one cent transfer fare. I do not believe the Council would object to the one cent transfer fare if it could be shown it was absolutely necessary. As I stated before we never had a statement from them and never knew whether it was necessary to put that one cent transfer fare in force. It looks as if they were discriminating against the people who were the owners of the road in that section of the City.

SIR ADAM BECK: What were the buses charging that were operating there before? A. I do not think there were any buses operating regularly; a lot of fellows have come here and asked for franchises or permission to operate buses, probably they owned one or two cars and they were allowed to put them on to give the people service until there was a good transportation service put on by Hydro and these men charged ten cents but it was very irregular and half of them had gone out of business, it never amounted to very much.

SIR ADAM BECK: We put on a five cent fare with one cent transfer? A. Yes.

SIR ADAM BECK: That was done as an experiment and as soon as we found we required to raise the fares to six cents we eliminated the transfers. You wanted

us to do it before we knew what our earnings would be or the probable cost of the buses? A. The buses were running when we went down to see you, we wanted to know how many passengers were carried and we never got that information. I, as a member of the deputation that went there, came away with the feeling that the one cent transfer fare was to be reduced, but the way it was reduced, was, in raising the fare to six cents or twenty tickets for $1.00.

TO THE CHAIRMAN:

Q. Have you any suggestion to make as to bringing about greater co-operation and better understanding between you? A. I would suggest that the Commission take these municipalities into their confidence regarding the financial affairs of this company. In this statement Sir Adam sent to the Council three or four months after the resolution was passed he says, "In compliance with your request, as expressed during our conversations of recent date, I am enclosing herewith a combined operating statement for the 30 months period ending September 30th,1922, during which time the railway has been operated by the Commission. I am also enclosing a Balance Sheet of the S. W. & A. Ry. for the same period.

The provision of Reserves for renewal purposes during the period of rehabilitation and reconstruction of this railway the Commission deems unwarranted, owing to the fact that the new equipment has not come into operation, and the greater part of the construction work was completed within the last few months.

Further, the operation of the railway has been interfered with during this period of rehabilitation and construction, and has resulted in a probable decrease in the revenues that would have been obtained under normal operation, with resultant increases in operating expenses, but notwithstanding these adverse conditions under which the Commission has been operating since taking over the railway, the revenue has to date been more than sufficient to meet by $5,207.32 the total operating expenses, interest charges and taxes, as reflected by the enclosed statement.

For your information, I am pleased to state that for the months of July, August and September of the present year the revenue collected is more than sufficient to meet the operating expenses, interest charges and taxes, provide a Renewals Reserve,and leave in the hands of the Commission a credit balance of surplus fund of approximately. $4,000.00. " but after he had sent that he puts into force this five cent fare and one cent transfer on the bus line and when they have a surplus of $4,000. they put into force this six cent drop fare or twenty tickets for $1.00.

SIR ADAM BECK: You know beginning November 1st we have to provide for Renewal fund and with what little experience we had of operating the road up to that time with construction going on, we put in what we thought would be a fare that would carry all the obligations, including sinking fund or renewal fund and that is why it was done, that was not a surplus taken November 1st.

THE WITNESS: It says here in your letter that you are providing for a renewal reserve and that you have approximately $4,000.

Q. To what period does that letter refer? A. The thirty months from the time it started in operation to the end of September, 1922.

TO COMMISSIONER HARRIS:

Q. What is the amount of taxes? A. The City has to pay the taxes and the road used to pay the taxes when it was in the hands of the private owners.

SIR ADAM BECK: We pay taxes just the same.

MR. GABY: We pay taxes the same as the old railway did.

SIR ADAM BECK: The Ex-mayor ought to know that.

THE CHAIRMAN: Is the road assessed in the regular way by the City?

MR. GABY: We assume the original taxes and it is fixed by the Legislature as to what we shall pay taxes on in the future.

Q. Supposing you put down a new track, would you pay taxes on that? A. No.

SIR ADAM BECK: All public utilities were free from taxes and after an Act was introduced that all lands of all utilities, water works, gas and so on, should be taxed but when we took over this propery we paid the original taxes and in addition we came under the new Act.

Q. If they were a private company would not they have to pay on the full value?

MR. GABY: No.

THE WITNESS: That is really the first financial statement we have had from you.

MR. GABY: I know we published them but I do not

know whether it was sent to the municipalities individually or not.

THE CHAIRMAN: It would be well to send these statements in future.

MR.GABY: I presume it would, they are sent by Mr.Clarkson to the Government each year.

COMMISSIONER HARRIS: Why would not it be possible for the Hydro, who is operating these various systems in the municipalities, to have that statement completed and in the hands of the municipality by the end of the year?

MR.GABY: We dannot do it by the end of the year, we have got to close out the books of the Commission and make the necessary adjustments and transfers and prepare the balance sheet before we can send a correct statement to the municipalities, we have the figures of the operating revenues and expenditures for 1922.

Q. Do you mean your thirteenth bill? A. No, that would not enter into it except as to the cost of the power.

MR.GUILFOYLE: Any statement I have prepared for your Commission including the one given you today is as near as we could get at the present time, I do not think there will be any serious change but that is not final and the final statement will not be ready for some weeks yet.

THE CHAIRMAN: Mr.Gaby mentioned four months.

MR.GUILFOYLE: It has never been ready before the end of February in any year.

Q. You usually have them ready about the end of February?

A. Sometime in March unless we are unusually interrupted.

THE WITNESS: There is something in connection with this increase in fares that I might say. At the time the negotiations were going on between the Hydro Electric Power Commission and the Detroit United Railway, who were the owners of this line, a strike occurred in the City and the men asked for more wages and went out on strike. At that time it seemed that the only way to settle it was to allow the Detroit United Railway who had a franchise at six tickets for a quarter to charge a five cent fare. That was put to a vote of the people and Sir Adam Beck at that time came up here and talked against the people voting in favour of the five cent fare, probably his motive in doing that was that if they were to allow the Detroit United Railway to charge a five cent fare before the final negotiations had been completed the price of the railway to the Hydro Commission would have been increased because they could show a greater revenue with the five cent fare than six tickets for a quarter; Sir Adam Beck talked against them getting a five cent fare. I do not know that he said it would be a four cent fare but I always understood we were to pay for what we were getting, service at cost, and when he talked against that and after they had the road for a time they put into force the five cent fare and then a little after they put into effect the drop six cent fare without taking it up with the Council, of which I was a member.

SIR ADAM BECK: That is incorrect, we did take it up with the Council and they all knew of it.

THE WITNESS: I have been a member of the

Transportation Committee and attended every meeting of the Council and it was never brought up at the City Council authorizing the Street Railway to charge a six cent fare. Sir Adam Beck did take it up with some people here in the City and I believe this letter will explain the whole thing and I would like to read it to you. Sir Adam Beck came here and took it up with the Mayor and some members of the Council in a private session.

SIR ADAM BECK: No, it was absolutely put to everybody.

THE WITNESS: There was nothing taken up with the City Council.

SIR ADAM BECK: I am surprised at the statements you are making, everybody knew about it.

THE WITNESS: Here is a letter that went to Sir Adam Beck dated October 30th,1922. (Letter read).

SIR ADAM BECK: What is my answer to that letter? It is that the report ending October 31st will be ready shortly and if the Committee of the City Council will come to Toronto the Commission will be pleased to explain the result of the operation in detail. We can explain it before the audit is ready for publication if you care to come and the answer was, "We do not ask you to explain the matters to us but to the public whom we serve, we still insist that should be done before any increase fare". We have gone to the public and explained to them why we did it and you did not want to know anything personally.

THE WITNESS: I do not think it was the intention

of Mr.England that you should come and talk to the public but he did expect you to talk to the Council.

SIR ADAM BECK: No, he says the public, members of the Transportation Commission were at this meeting and members of the various municipalities and the public knew of the meeting and if they did not see fit to come it was not our fault.

THE WITNESS: I had not any invitation.

SIR ADAM BECK: I came here at the solicitation of the people whom you support and had a meeting in connection with the franchise rights and the five cent fare and I made myself very clear that I came there simply at your request and that I did not think, owing to the short time the franchise had to run, only two years, that the agreement should be broken and that the company should be made to carry it out in the lean years as they did in the fat years and I made it clear to you that It might affect the value of the road seriously and we probably could not buy it at all.

THE WITNESS: I have explained that to the Commission.

SIR ADAM BECK: Where is your grievance?

THE WITNESS: You talked against the five cent fare and after Hydro came into operation of the road you put into force a five cent fare and then a six cent fare.

SIR ADAM BECK: Because we increased the wages 35%.

THE WITNESS: In your own statement during the months of July, August and September the road was paying its way and had a surplus of $4,000 after paying everthing

as outlined in this letter and then without taking it up with the Council you go to work and put into force a six cent drop fare.

SIR ADAM BECK: Yes, we were compelled to charge it and you admit it was to be service at cost and it was taken up with the Council, what is your complaint?

THE WITNESS: I think I said at the start the trouble is you are not frank enough with the Council.

TO THE CHAIRMAN:

Q. Were members of the City Council invited to this meeting? A. I was not invited, I was a member of the Council at that time and I was attending a gas conference and I did not know that there was a meeting until I came back but I saw by the paper that the Mayor was there.

SIR ADAM BECK: He knew the night before about it.

THE WITNESS: I do not know how the meeting was got together, it must have been got together in a very short notice by someone because the Councillors did not have any notice of it, there was no notification of the meeting at all as far as the Council was concerned.

SIR ADAM BECK: We came here bringing with us delegates from St.Thomas and from Stratford to visit this City and we notified the Mayor that we would be glad to take up this matter while we were in the City and we presumed the Mayor would notify the members; some of your colleagues were there.

THE WITNESS: The Hydro Electric Power Commission

has been very careful with anything regarding anything they wanted passed in the Council and they have had copies sent to them but here is one of the most important things in connection with the operation of the road, increasing the fares from six tickets for a quarter to six cents and when representatives come here to look over the road they asked the Council to meet them, that seems to be the way it was taken up.

SIR ADAM BECK: I cannot answer for what the Mayor did.

THE WITNESS: There is one other thing in connection with it, I don't know whether they are to blame or not. When they took over the road, of course, they promised us new equipment and new cars and the right kind of service and it ran along for a considerable time before anything in the shape of new rolling stock appeared on the road and when it did come it came in the shape of six large double truck cars and six trailers and they did not come all at one time, they straggled along, It was months and months after they took the road over when they arrived. We were told at the time these cars were only brought here as a temporary measure and they would be moved probably to other lines, that they were not to constitute the regular equipment of the road, yet these cars are still here. They were not the right kind of cars for the road and considerable changes had to be made in the wheels. I think they took the road in December, 1919, but they did not start to really take it over until April, although the purchase was made in December. One reason for not taking it over was it would give them a

chance to get the equipment for the road, yet when they did take it over they did not have any new equipment for a considerable length of time. The one man cars only came here a short time ago.

TO THE CHAIRMAN:

Q. Is there any distinction in the obligation on the part of the company to pay for any part of the paving of the streets and what the Hydro has to pay? A. When the D.U.R. had the franchise in the City they were supposed to pave between the tracks and for eighteen inches on each side of the tracks.

Q. Were they bound to do that? A. Yes, by their franchise and they pay that and when the Hydro took it over the abutting property owners were to assume a certain cost of it and the municipality the difference. We paid during the last year something like $70,000 to the Hydro for paving between the tracks.

Q. That is something they would not have had to pay?

A. If the other company had done the paving.

THE CHAIRMAN: It is still being done by the old companies, the obligation continues?

MR.GABY: It is operated as a Hydro Electric Railway but we have to keep a financial statement in the form to meet the bond mortgage on the property until such time as they wipe these bonds out but we operate it as a Hydro Electric Railway.

I want to answer Mr.Winter's statement about the cars. The Commission had no authority whatever to have the municipalities pass the necessary bylaws in

December of 1919. It was late in January before the necessary orders-in-council were passed, authorizing the Commission to go on and purchase the road. It took from that time until April first and even at that time the agreement for the actual purchase was not completed and until the agreement had been fully completed the necessary legislation could not be enacted and we were unable to buy any equipment. Owing to war conditions we bought what we felt would be suitable for operation on this line for sometime. We could not have got the cars at that time in a less period than 12 to 15 months and these second hand cars could be put on the road immediately. It was not the fault of the Commission that the cars were not delivered within the time specified , that was a matter of the corporation who undertook the construction and delivery of these cars and these cars are giving service within the district for the purpose for which they were intended and for which double truck cars are suitable.

THE WITNESS: You had considerable trouble with them with them first came here.

MR.GABY: That was a matter that we were thoroughly familiar with. We knew what improvements had to be put on them and we had to put on a wider gauge for interurban operation, these were street cars.

MR.ROBERTSON: It was the trailers only.

TO THE CHAIRMAN:

Q. You have heard the suggestion that the Council should be in closer touch with the Commission so that they could take matters up with them, what do you think about that? A. I believe if the man in charge of the railway

here had more authority, he would not need any more than a Committee from each Council to look after their own municipal affairs. The municipalities seem to have no trouble with one another, they all seem to work in harmony here and the Transportation Commission has had no serious trouble with the Commission in anything that we have ever gone after. It is only in the way they handled this fare question that I have got any grievance, if it is a grievance at all. I felt at the time we were not being treated right in that regard but as far as having one Committee of these municipalities, it passes through too many municipalities and the interest of each municipality is so different that I think a Transportation Committee of each municipality dealing directly with the manager of the road or the Hydro Commission is all that is necessary.

Q. Do you say the local representative has not sufficient authority? A. I do not believe the local representative has authority, if he had, I believe considerable money could be saved on the road, but not having a representative of the Hydro Commission their engineers and superintendents travel back and forth from Toronto and I believe a lot of that could be eliminated and it would be much better for the road.

Q. Is there a telephone service between here and Toronto?

A. I believe they have a Hydro line.

Q. There should not be any difficulty in correcting it?

A. I think the men here should have more authority to operate the line and I think that would solve a lot of the trouble; I have often heard the Engineering Department

complain of that.

Q. The Engineering Department of what? A. The City here, complaining of lack of authority in the local manager.

SIR ADAM BECK: There is a man here superintending the operation, we could not have an engineer on every railway, we have one engineer for all the railways.

Q. Your local man is not an engineer?

SIR ADAM BECK: No, he is an operating man.

THE WITNESS: And I believe he is a good one, nobody has any complaint against the man in charge of the railway. I have not heard anything against him, I have heard nothing but commendation for Mr.McGill, the Manager.

COMMISSIONER HARRIS: He might be handicapped by too much red tape? A. As I said at the beginning, the whole trouble is lack of confidence of the Hydro Commission in taking these matters up with the municipalities. If they would prepare a statement and tell them just exactly why these things were necessary I do not think there would be any trouble. Someone said here before I do not know why you gentlemen are here, I do not think it ever came on the solicitation of any member of the Council. We are not here to air our troubles before a Commission because I think we can probably thrash them out with the Hydro Electric Power Commission, but since you are here we are willing to tell you what we know about it, we are not backward in doing that and we would not be backward in telling Sir Adam Beck. You have not come on my asking or the asking of the Council, as far as I know, and it is

a question to me as to why you are here.

MAYOR McKEE, SANDWICH: Our franchise called for the paving of the track, inside of the track, and for keeping in repair 12 inches outside of the rails. We paved the street and Mr. Anderson paved the centre of the track. I was Chairman of the Board of Works and we ran parallel steel joints along the pavement and we charged him and we had to go to the Court to get payment for that twelve inch strip and the Town lost out, owing to the fact that they had no property abutting on the street; Mr. Anderson did not appeal against a certain portion of the road. That was one reason why we got out and worked and influenced the ratepayers to vote for the taking over of the street railway line because it would eliminate this franchise and it would be all under one franchise and that is the reason the people are objecting and quarrelling over the paving of the centre of these streets.

SIR ADAM BECK: You are aware of the fact that we have a private right-of-way through Sandwich?

MAYOR McKEE: Yes, got for a ten dollar bill by the Street Car Company. The franchise in Sandwich ran out in 1889 and the Council renewed it for a ten dollar bill.

FRANK J. MITCHELL.

We have from time to time complained, as every municipality complains, about the service, I think it is a general complaint and it would be hard to overcome. It is impossible for a Transportation Company to be perfect. The Hydro, we know, has been handicapped up to just about a week ago by the construction of the new line along Sandwich Street which turns all the traffic back on Wyandotte Street and then go down town and go around a single track loop. Every car from every district in the Border municipalities comes down and goes around that one loop and the traffic has been rather congested there is no doubt there is a hold up there which will likely now be eliminated. I believe in having a little patience. We knew what we got, just a bunch of junk and they have tried to do their best. Regarding what Mr. Winder says about the meeting of the Transportation Committee and sending down a communication to the Hydro Electric Power Commission that if we did not get what we wanted here we were going to withdraw from Hydro; that communication, sir, was sent by a private individual, not even authorized by a meeting of the Transportation Committee and at the next meeting night of the City Council the whole thing was turned down.

Q. Did it ever emanate from the Council in the first place? A. They had no power at all, it was just individuals, they had not power to do anything; therefore, it was just done as private individuals.

Q. The Council did not pass any resolution? A. No, sir, and

why raise the point? The Council referred your communication to a Committee and it was never acted upon, yet on our files in the City Hall you were communicated with by a member or members of the Council as individuals, there has been a great deal said here today in evidence which has been said by individuals, as individuals, but the Council as a whole has never taken the action that has been spoken of.

Q. We should have been here whether anyone asked us or not?

A. Yes, we understand you have full powers to be here, you are appointed for that purpose. Regarding the fares we all understand it is service at cost. They have spent approximately about $900,000 here in reconstructing the line but it has never been said that we have asked them to spend $1,500,000 and we were sore because they turned us down and we thought they should spend that much money, and they would have spent it and would have given the service we required if the government had not refused to endorse the bonds. So you see, sir, that if there is a raise in fares here the citizens of this City are more interested in getting good service than they are in fares.

Q. If the traffic is going to increase at the rates suggested this afternoon you should have reduced the fares before long? A. We hope so, it is service at cost. Regarding the Commission being appointed, I have the honor, I believe, of being the father of that movement. The Sandwich Council took it up in their organization meeting. I will read the resolution because there has been a good deal said about this Joint Committee of the

municipalities; this is the resolution that was passed:

"Whereas problems of vital importance are pending and do arise from time to time which concern the several Border Municipalities separately but also as a whole,- the consideration and solution of which is the duty of the Councils representing said Municipalities:

"And whereas it is deemed advisable to appoint representatives from the several Border Municipal Councils to act as a Joint Municipal Committee for the purpose of holding consultations on questions applicable to all and reporting back to the Council represented recommendations as to action to be taken thereon:

"Therefore be it resolved that the Mayor be directed to appoint two members of this Council to act with himself on a Joint Municipal Committee and that each of the other Border Municipal Councils be requested to appoint a like number to act on said Committee, and that said Committee meet as soon as possible and as frequently as may be deemed expedient and take up questions of mutual interest to the Border Cities." That is the resolution all this discussion has been on this afternoon. Our scheme is this: If the resolution passes, Sandwich, Windsor, Walkerville, Ford and Riverside, will have members on this Joint Committee and it will produce much better results and will save a great deal of time and energy and expense to the municipalities.

You must remember that we are really one big municipality although we are separate and have different Councils. Our interests are the same and it was our idea to see if we could not come closer together by appointing

this committee, which would represent all the Councils and I think, sir, that if this Committee interests you as a suggestion which you should work on I think the municipalities will favour any joint scheme whereby they can get one result for all the municipalities. We can thrash the minor difficulties out ourselves.

Regarding Hydro we all have our little complaints. We have had disputes on service and fares and I might say that I was the mover of a resolution asking for a financial statement and I asked at the time they took it over, the statement that was read here was submitted. It is just in the way these things are transacted that a different light is thrown on them.

TO COMMISSIONER HARRIS:

Q. You are moving along in the right direction?

A. I am sorry things are looked at in the way they are. I am sorry I forced myself in just at this time but I have to work tonight.

SIR ADAM BECK: Mr.Winter made the remark that because we had not been frank or open they had not any confidence in the Commission, is that the view of your Council? A. Well, Sir Adam, I cannot speak for the whole Council but I speak for myself and I believe and I hope that the Council believe there is more advantage to be derived from co-operating with you than there is from fighting you.

Q. What I asked was, the statement was made here that they had lost confidence or there was a want of confidence on the part of your Council in the Commission,does that exist? A. When the Council voted down the proposition in

October to withdraw from the Hydro Electric Commission under the Radial Act I think that was a vote of confidence in the Hydro Power Commission.

E. WESTON, Sandwich.

There are faults with the Hydro and faults with the public. I am a friend of Hydro and of Sir Adam Beck. When he came to Port Arthur I was there to vote for him and Port Arthur has something worth having. I am very much attached to Port Arthur because they have two fine cities up there and they have accomplished something more than you people know. They don't always agree. They built a street railway system in Port Arthur forty years ago and they have been operating it ever since.

TO THE CHAIRMAN:

Q. What about the street railway here? A. They had a boom up there and ruffians came in there and they did not co-operate with the municipal management, the same as here, There are a lot of people here that do not co-operate with the Hydro, they were enemies of Hydro. I am a good customer of Hydro and I come up and down from Sandwich twice a day and people will get into the cars and stand in the front vestibule and won't move back to the centre of the car and they obstruct people coming in and prevent people getting to the back of the car. I have worked myself through against these person's wills, sometimes they say something nasty to me. I want to co-operate with the street railway and everybody else. I could give the names of the individuals who did the same thing when the D.U.R. were operating.

Q. It would be well for you to take these things up with the local manager? A. I am here now and I want to make a suggestion that originated in Port Arthur when they had the same difficulty there, they invested authority in the conductors and motormen which they have not got here and they put a badge on them and made them constables and some of these individuals were brought before the Magistrate and made an example of and if that was done here they would have very little trouble. I am sorry to say there is a lot of bunching of the cars. Down on Brock Street where I live there is a switch where the tracks run into a single line and a number of times when we have a little bit of fog they cannot see and they have not proper signals and one is waiting for the other and neither of them move till a car comes up behind them.

---adjourned at 6:30 P.M. until 7:30 P.M.

11TH JANUARY,1923.

7:30 P.M. RESUMED.

H. E. GUILFOYLE.

TO THE CHAIRMAN:

Q. What is your business? A. Chartered accountant, and a member of the firm of Clarkson, Gordon and Dil .worth, who audit the accounts of the Hydro-Electric Power Commission in all its branches.

Q. Can you tell us something about the system here and its operation for the last year. The statement we had from Mr.Bonthron brought us down to 31st October,1921? A. Yes.

Q. You can give us for the year ending 31st October 1922?
A. Yes. I have prepared a statement showing the assets and liabilities of the Sandwich Windsor and Amherstburg Railway, and the Windsor and Tecumseh Electric Railway, a subsidary of the other company as at 31st October,1922, on two ~~basises~~ bases; one in which no provision is made for the renewal of plant and equipment and the other where provision is included for the renewal of plant and equipment.
Q. Will you give us the first one now? A, The investment by the company in road equipment, rights franchises and good will to the end of October 1922 is $2,729,129. The other assets of the company consist of Windsor Bonds of $190,000 which were received as the sale price of the Electric Distribution System in the City of Windsor; sundry liquid assets in the way of materials, receivable account, cash in bank and $69,000 and some deferred expenses in the way of unexpired insurance and the unwritten off balance of the valuation expenses, which by the way, is being amortized over a period of ten years.
Q. Have you paid two instalments of that already?
A, Three instalments we wrote off three tenths of it. The aggregate of these assets is $3,017,800. As against that, the assets of the company: First the capital liabilities; the capital stock of the Sandwich,Windsor and Amherstburg Road $297,000. The capital stock of the Windsor and Tecumseh Road $100,000. The free surplus as of the time of taking over,$753 000,which had been invested by the former owners of the road in road equipment; accumulated profits invested back in the

road and equipment and must stand as part of the equity they had in the road at the time of the sale. The bonded debt of the company as referred to by Mr.Bonthron this afternoon $490,000 of the 4½% gold bonds of the Sandwich, Windsor and Amherstburg; and $189,000 of the 5% Gold bonds of the Windsor, Tecumseh Electric Railway with accrued interest of $10,762.50. The liabilities of the Railways to the Hydro Electric Power Commission amount to $1,100.000 represent cash advanced out of the proceeds of the sale of Hydro Radial bonds $900,000 and cash advanced out of borrowings by the Commission from the Bank of Montreal $200,000. The whole of that $1,100,000 had been advanced to the Sandwich,Windsor and Amherstburg Railway and all expended by it on road and equipment and working capital except $32,700, which remained in the hands of the Commission and were available for expenditure in the period following 31st October,1922. Net Liability $1,067,000. The current liability of the railways in accounts payable and other charges, provision for unredeemed taxes &c.,$28,984.16. Then we have carried in reserve from time to time on the sale by the Commission of the 6% 40 year bonds of $900,000. amounting to $74,025, less a small portion written off $858.23, leaving carried in reserve $73,166.67. Now I had better explain that: That being a premium on the sale of these 6% bonds simply means additional cash received because they carried a six per cent rate of interest.

Q. Why were they not issued at a rate lower than that?

A. They were issued at a time when money was worth on

the market 6%. They were not immediately sold and the improvement on the market between the date of issue and the date of sale, they got that much more for their bonds. As a matter of fact they might have had to take some discount at the time the bonds were prepared for issue, but the improvement of the market, which has improved further since then, made it possible for them to sell at $74,000. more than par for the bonds. That amount must be kept in reserve and applied in reduction of the direct interest paid amortized over the life of the bonds, and thereby slightly reducing the interest charges. It is not a liability it is a reserve for that purpose, but it must in the life of the bonds be completely wiped out. The only remaining item as surplus as on 31st October, 1922, before making any provision for renewals is $7,749.39. Aggregate of these capital liabilities, the Hydro liabilities, and the surplus is $3,017,000.

It has already been made clear as to why the railways are being carried as companies and the balance sheet is presented as the balance sheet of the companies, and we have put a foot note at the bottom of the balance sheet which I think I should read: "Of the purchase price of $2,039,000 of 40-year 4½% bonds paid by the Hydro Electric Power Commission of Ontario for the Sandwich, Windsor & Amherstburg Railway and its subsidiary the Windsor and Tecumseh Electric Railway $1,250,000 (par value) of such bonds were paid for the surplus of Assets over Liabilities appearing on the books of the Companies at the date of purchase at $1,040,839.58 while the remainder of such bonds - $789,000 par value - were deposited with a

Trustee to be delivered to the vendors of the properties upon payment by them of the $789,000 of bonds then outstanding against the properties of the Companies. In the fiscal year ending 31st October 1921 $110,000 of the $789,000 of bonds outstanding against the properties of the companies were redeemed by the Detroit United Railways, thus increasing the equities of the companies in the properties - over Liabilities - to $1,150,839.58 as above shown. In purchase of these equities bonds of the Commission to the amount of $1,360,000 were outstanding on 31st October,1922."

Now the balance of $67,900 of the issue over and above the last figure I mentioned stands deposited with the National Trust, held by them in escrow depending on the return of these bonds. When they are returned the equity of the company in the road will be increased from $1,150,839 to $1,829,939.

There is a further note, "The cash advances of $1,100,000 made by the Hydro Electric Power Commission of Ontario to the Sandwich, Windsor & Amherstburg Railway represent: 1. Advances out of proceeds of sale of $900,000 par value of 6% 40-year Hydro Radial bonds of the Commission dated Lst July,1921 and guaranteed by the Province of Ontario. 2. Advances of $200,000. made by the Bank of Montreal to the Commission (and by the Commission to the Railway Company) which are secured by : - (a) $190,000 par value of 4½% 40-year bonds of the City of Windsor dated 1st of April 1920. (b) $61,000 par value of 40-year 4½% bonds of the Commission dated 1st of April 1920 and guaranteed by the Province of Ontario,part of the original issue of

$2,100,000." That is the balance over and above the purchase price handed over to the Detroit United.

The next statement is prepared with provision for renewal of plant and equipment included in it and shows this difference: On the one hand, reserve for renewal of road and equipment on 31st October 1922 at the rate of 3.3% sinking fund basis amounting to $92,256.76. The provision of that created a deficit or excess of operating cost including provision for renewal over the whole period over the revenue of $84,507.37.

Q. That would be the total operating deficit from 1920 to 31st October last? A. Yes.

Q. What is the difference in the taxes paid by the Hydro and the former owners of the road? A. I have been told, and you will probably know yourself, that under the Railway Act, Radial Railways are not taxed for roadbeds, rails, ties and overhead, but are taxed for land and stations and buildings.

Q. Is that where they are privately owned? A. Yes.

Q. In that event is there any distinction between the two? A. The distinction between the two is that the Hydro are not assessed on the buildings, or the car barns.

MR.POPE: The Hydro does not pay on anything except lands.

MR.GUILFOYLE; In the same way on the property the statement of operations as revenue and expenditure for the year ending 31st October,1922,on the same two basisis with no provision for renewal, and one with provision for renewal. You don't want details of that.

The aggregate of the expenses, apart from interest, operating costs, I would call that $440,673.73 including the interest on the bonds of the Commission, issued for the purchase price, and on the $900,000 for the time when the balance of them are outstanding $130,574.70; making the total operating cost exclusive of any provision for renewals of $571,248.43. As against that the revenue of the road, including received from the City of Windsor on its bonds, $565,353.02 the net deficit for the year after payment of interest on the bonds issued by the Commission to cover purchase price before making provision for renewal on the road and equipment $5,895.41.

Q. How did the income for the twelve months ending 31st October last compare with the income with the preceeding twelve months? A. Somewhat higher, I will give you the exact figures. The revenue for the year ending 31st October, 1922, $565,353. The revenue for the year ending 31st October, 1923, $513,876, a difference of about $51,000. With the provision for the renewals made, and the amount calculated at the rate before mentioned, $45,052, with that amount included in the cost of operation the net deficit for the year, with the provision for renewal included was $50,949.29 that is for 1922.

Q. Without any reserve for renewals the deficit was $5,895.00? A. Yes. Comparing the two on the basis of the statement without provision, there would be a net surplus to the end of 1921 of $13,644.00. Deducting the net deficit for the year ending October 1922 of $58,995.00 would leave a surplus brought down at the end of October 1922 of $7,749.39. With the provision of the renewals in the

net deficit of 31st October 1921 was $33,558.00. The net deficit for the year ending 31st October 1921 was $50,949.00 making an accumulative deficit to that date, after making provision for renewals of $84,507.37.

Q. Is there anything that you would like to comment on in the evidence given by Mr.Bonthron? A. I think all these were practically cleaned up at the time. I just had one note in mind which may answer Mr.Ross; we spoke about other utilities and other Companies being in the way of capitalizing deficits during the broken period as from the beginning of part construction and part operation. What I want to make clear is when a utility or Company start off operations, presumably to get in what revenue they can with construction still going on, it is quite a common practice to take all the revenue they get in that direction and apply it to the full extent that it will go in paying the interest, the operating charges and whatever else, if it will fully cover it all the better, if it will not to capitalize it as expenses incidental to construction, the excess of the expenses over revenue, that is frequently done, I want to make that clear.

Q. It would be difficult to tell exactly what proportion should be charged up to capital, some parts of the line might not be interfered with at all? A. Yes, for instance we had exactly the same thing when the Niagara system began, they commenced to serve a few municipalities and allowed a certain amount of the revenue against construction. That has been treated in that way several times.

TO COMMISSIONER HARRIS:

Q. Was that when they were constructing the first

transmission line? A. Yes, when the thing was still quite far from completion.

Q. It was not operating at all? A. Yes, it was. They supplied Kitchener and a few municipalities at broken times in the year with certain quantities of power. They got what revenue they could. It would be better to do that and get that revenue than to hold it all up, because you would be capitalizing the whole thing. They applied that revenue against the cost to help it out and then started off afresh.

TO COMMISSIONER HANEY:

Q. That was operation during a definite construction period?

A. It was.

Q. This was operation during rehabilitation period?

A. I do not say they are parallel cases but they are more or less hypothetical. Mr.Ross was asking me that question when it came up this morning.

TO THE CHAIRMAN:

Q. I never heard of that being done before? A. I have.

TO COMMISSIONER J.A.ROSS:

Q. I am a little doubtful about your point of view when renewal charges start; what would be your definition of a going concern as applied to a railway, would it be at the time of complete rehabilitation, or just at what point in the reconstruction period would you start? A. Mr.Gaby said this morning that rehabilitation of the existing road bed and the rolling stock, subject to the purchase of some four or five new cars, was practically completed on the 31st October 1922, about the end of their fiscal year. If that is the fact, and I have no doubt it is, the normal operation would commence on that date.

THE CHAIRMAN: When did rehabilitation begin?

MR.GABY: Almost the day we took hold about thirty months ago.

Q. Was it greater during the last year 1922, than 1921?

A. I would say our greatest expenditure on operations was 1921 and 1922, they have been more or less on a par as far as interference with the service was concerned. We took it over in April 1920, and it took one or two months to get things into shape but during that period we were subject to very high maintenance.

Q. I remember travelling over the line in September 1920 and I do not recall any work going on? A. There was not a great deal in 1920, the majority of the work was done in 1921 and 1922.

MR.GUILFOYLE: I can give you the exact investment in each of those periods,the amount expended in the different years.

TO COMMISSIONER J.A.ROSS:

Q. Does it start from the point where the rehabilitation commences or where it is completed. I understand in the average business a going concern is one that is fully equipped to do business one hundred per cent? A. That is a going concern with full and normal operations. In this case the operations were not normal prior to October 31st,1922.

TO THE CHAIRMAN:

Q. You do not recognize any degree, there might be some operation which would be of some magnitude and others might not seriously interfere with the traffic? A. There might be some medium between the two, but as far as I can judge

from the spread of the expenditures it was so general it would be very difficult to draw the line.

Q. Fixing up a building would not take away a single passenger? A. Quite so,but from the spread of expenditures on the rehabilitation of the track, and the installation of double tracks, it was general. I do not think myself if you want to strike some medium between net depreciation and the maximum it would be somewhat arbitrary to draw the line and this would be the same.

Q. Re-laying rails could be done in such a way as to not interfere with the traffic and putting in ties could be done in the same way? A. As far as putting in ties in the ordinary course of maintenance like a steam road, I think there is something in what you say, but from the standpoint of rehabilitating miles of it as this was done it is almost parallel to the way it was done in Toronto, and there is no doubt in the world it did interfere with the work in Toronto.

Q. They had the opportunity to divert their traffic. It was a question as to whether it would interfere with their carrying passengers? A. I cannot help but think that there would be interference both from the standpoint of passengers and quick service on the line.

Q. The maintenance of their cars would be increased? A. I mentioned that this morning. As to what degree it interfered with the work the engineers would have to answer that.

Q. I suppose the engineers would have a note to show the stopping of traffic? A. I have no doubt they have information of that kind.

MR.GABY: I may say that there has been no setting up of depreciation reserve for the year 1922. It may be more or less considerable than what Mr.Guilfoyle has set up, that will all depend on the details when the matter is dealt with. He has used the percentage as ascertained on the conditions as of 1921; conditions in 1922 may have been materially different than what they were in 1921.

MR.GUILFOYLE: I use the same rate as was furnished for 1921 and applied it on the same class of investment.

COMMISSIONER J.A.ROSS: Under what item would it change.

MR.GABY: Depreciation is based on each separate item and we take the relative proportion of each item in the total and give you the different averages.

Q. That would not vary very much? A. It might and might not, I would not like to say.

Q. Two or three per cent? A. It would not vary that much. If it varied one per cent it would be thirty percent increase or decrease. I do not think it would vary 3.3 per cent, it might be a half or quarter percent.

ARTHUR W.JACKSON.

Ex-Mayor of Windsor.

TO THE CHAIRMAN:

Q. You are a resident of Windsor? A. Yes, sir.

Q. Were you Mayor of Windsor at one time? A. Yes,

Q. When was that? A. In 1915 and 1916, I have been a resident here since that time.

Q. You are in touch with the operation and administration of the Hydro Radials? here? A. Yes.

Q. Have you anything you would like to say to us about them? A. No, nothing. We have our complaints about the service from time to time just as we would have under any management and there is nothing that I do not think we will not be able to iron out among ourselves.

Q. What are these things? A. I have nothing that I care to submit to your Commission, they are simply things that might come up.

Q. It is our business to know if there is any ground for complaint or any ground for commendation? A. As compared with the former management I would say there was ground for commendation.

Q. Something was said today about the fact that the old company had to keep up a certain part of the road bed and under the present system there is no obligation of that kind? A. Yes, under the old administration the company had to pay its proportion of the paving between the tracks and 18 inches on each side, I believe that is not being done now.

Q. What difference would that make in the cost to the City? A. I believe there was an item of $70,000 paid by the City last year.

Q. That is work that was done by the Hydro which the City paid for? A. Yes.

Q. If the old rule had been in force they would not have had to pay that? A. No.

SIR ADAM BECK: That is a matter of their franchise requirements. We are operating as trustees

for these municipalities and it is a different thing. It would simply mean that we would have to obtain additional revenue if we had to pay the paving.

Q. If a private company would operate it on the same terms and pay the taxes and road rates the town would be that much ahead?

SIR ADAM BECK: It is a matter for the people living in the town. In this case I believe it has been the general practice to assume that liability which is simply the ordinary pavement. We have to take care of the extra cost as far as sub-grade is concerned, that is all taken care of by the Commission.

Q. Is there any difference in the taxes received from the Hydro and what you would receive from a private corporation?

A. I cannot answer that.

Q. Mr.Winters said there should be more co-operation between the municipalities and the Hydro, is there any ground for that statement? A. I think it would be well and I believe that would be a matter for the municipalities; they would have it in their power to do something like that.

Q. What do you think about the suggestion, do you think it is sound? A. I do, I think it would be very good.

Q. Each municipality should have some Committee?

A. I would like to see a Joint Committee.

M.G.CAMPBELL

TO THE CHAIRMAN:

Q. Do you live in Windsor? A. Yes, sir.

Q. What is your business? A. I am with the Kelsie Wheel Company, manufacturers of automobile wheels.

Q. Are you a customer of the Hydro? A. We buy power from them.

Q. Is there anything about it that you would like to bring to our attention? A. There is interruptions in power and the cost.

Q. What interruption is there? A. I have not got the data of just what the interruptions have been but there have been very many and very serious.

Q. What has been the cause of that? A. I do not know.

Q. How often did that take place? A. We have had as many as four in a day of from ten to twenty-five minutes and in a case like that we do not know whether to shut down or how long it is going to last.

Q. Could not you call up and find out? A. They cannot tell you, they say they do not know how long it is going to last.

Q. You lose all your employees' time? A. Yes, it is a serious matter. We have about 325 men and we do not know whether to let these men go home or keep them there. If we keep them there we have to pay them. There have been cases where they have been able to say "No more power today" in that case there is nothing to do but to shut down the factory.

Q. How often do these interruptions take place?

A. As I say, I have not got the figures with me, there have been very many. I suppose in the last two months there has probably been 30 or 35 interrruptions, some of them for an hour at a time, one two weeks ago I think we did not have any power at all; we had power at eight o'clock in the morning and none till a quarter past ten.

Q. Did you learn from the Hydro what was the cause of the interruptions? A. I found it was just a break on the line, I think at that particular time there was some trouble with their station at Dundas but we did not know what it was until the next day and did not know how long the power was going to be off.

Q. Do you think they should be able to tell you how long the break would probably last? A. Of course I can appreciate when this happened it was interfering with everybody and probably fifty people would be trying to get them at one time and I should think there might be some way whereby they could tell us how long the power would be shut off.

Q. I suppose there are times when they do not know themselves? A. I think if they knew they would tell us.

Q. What about the cost? A. It is too high, I think.

Q. What is it? A. It cost us for the year, our average was 0244 kilowatt hours, that is higher than it is in Detroit. We have some very big plants in Detroit and their average cost is 0156.

Q. Their power is produced by steam? A. Yes, Edison power - let me enlarge on that. The reason given here, and I guess probably it is right, in the last three or four months we have not been busy and we have not worked full

time because of the maximum demand and short hours and electricians tell me that if we had worked longer hours we would be able to get into a lower rate; but our people in Detroit have been under the same conditions, and they have been working short hours,more or less.

Q. They get the power cheaper than you do? A. Their power last year averaged 0156 a kilowatt hour and ours was 0244.

Q. Have you taken up the matter of cost with the Hydro people? A. Yes, and their manager is very courteous and he does everything he can to show us that if we could work longer hours our rate would be lower, there is not so much demand for a few hours, but we cannot adjust our factory to that basis.

Q. You think you should get as good a rate as they get in Detroit? A. I think so.

TO COMMISSIONER J.A.ROSS:

Q. Don't they use a good deal more power than you do?

A. Yes.

MR.GABY: Probably in Detroit they sell on a straight kilowatt hour rate, we always find in investigation that these rates are higher per h.p. on the peak basis, always higher as far as the customer is concerned. This gentlemen states he uses a very low load factor and he pays for 24 hours whether he uses it or not and that is the way we sell Hydro Electric power. There is a service charge of $12 per h.p. and a kilowatt hour, for the first fifty hours, rate at a high rate and the second rate less and all after that one and a half mills per kilowatt hour. If he could increase

his load factor he would have rates lower than they are on the American side. It is a matter of the load factor. A very low load factor and a high peak used for a very short time.

TO COMMISSIONER J.A.ROSS:

Q. Could you do that? A. No.

TO COMMISSIONER HARRIS:

Q. What is the price of power to Windsor.

MR.GABY: The base rate is $32 per h.p.

MR.JEFFREY: No, it is higher than that, about $36 per h.p.

Q. Do you take all your power from the City Hydro Electric?

A. Yes, sir.

Q. It is through them the rate is made? A. Yes.

Q. Were you established here before the Hydro Electric power came here? A. No, we started in 1913 and took Hydro power in 1915, we started using steam power. We have twelve dry kilns, each with a capacity of five car loads of timber and we have to have a lot of steam for that and we thought of heating that up to a point that would heat our factory and in heating these dry kilns it would pay us to use the steam engine and use the exhaust for that heating. We have all the steam we want for the dry kilns and all we want to heat our factory and the extra power we need we buy from Hydro.

Q. As a matter of fact you would make your power cheaper from steam than you are paying for Hydro? A. I am not enough of an Engineer to say that. Some engineers tell me it can be done and others say it cannot. We have never gone far enough to say whether we could or not,

we might be able to do so. Our chief objection to Hydro is the maximum demand based, I believe, on a two minute peak; in Detroit is the average of three hours, the three highest hours in the month.

Q. Have you sufficient exhaust steam to heat your factory?

A. Yes, we have 250 h.p. steam plant and 550 Hydro.

Q. It might be cheaper to make your steam and use it in that way? A. We are considering that now.

Q. Do you burn coal? A. Yes.

Q. No gas here now? A. No, we cannot use any gas at all in the factory, except one little tool hardening device.

MR. JEFFREY: You said there were 35 interruptions to your service in the last two months? A. I am not sure these are the figures, I know there have been a frightful lot and they have been very expensive.

Q. I understand there have not been over five? A. I do not believe that. I do not know whether to dispute you or not but there have been a number of interruptions.

MR. PERRY: In the last two months I recall two interruptions, one about four weeks ago when an oil tank blew up in our sub-station and interrupted the service for three-quarters of an hour, previous to that the interruption was caused by some fault at the Dundas Station, fire there. These are the only two interruptions I can recall.

THE WITNESS: We have repeated interruptions at our plant.

THE CHAIRMAN: They say they have had three in one day.

MR.PERRY: I do not know of any due to Hydro trouble, except these two I have mentioned.

MR.GABY: They must be local in Mr.Campbell's own plant and that could be taken care of by his own management, his own switch must trip.

THE WITNESS: It is quite possible.

MR.GABY: You have not investigated the relevant cost of steam and electric power? A. No. Q. Have you any information as to what the rate is in Detroit. I think if Mr.Campbell's engineers would come to the Commission we would be very glad to go into the matter with them.

MR.CAMPBELL:I wish you would give us all the information you can.

MR.GABY: We are only too glad if you can produce power cheaper from waste products by using exhaust steam to recommend such a proposition to you, our interest is to see that you get power in the most economical way and the most efficient way.

MR.CAMPBELL: Mr.Perry has always helped us; we will know in three or four months what we are going to do; we are now only on half time work.

MR.GABY: The same thing would happen if you had a big steam plant, you would have to carry your fixed charges, your rate now is $12 per h.p., that is your service charge.

MR.CAMPBELL: I am not an engineer and do not know a great deal about it.

THE CHAIRMAN: If you have any further interruptions make a note of them and then you will be able to speak

positively about it? A. I did not know what you wanted me for or I probably would have had that information with me. I can send you the information by mail.

M.A.BRIAN,

City Engineer,Windsor.

TO THE CHAIRMAN:

Q. What have you to say? A. I would prefer to have you question me, it is pretty hard for an engineer to say anything. I have been connected with the City fourteen years as City Engineer and I have been pretty well in touch with everything from the start. There are a few things that strike me, one thing in particular strikes me and I think it strikes most any man that has any connection with trying to get things done; they say people have to be peaved once in a while - I find that there is too much circumlocution in getting a thing done with the Hydro. I think it is due to a great extent to the red tape. There are so many different lines that you have to go through, not necessarily departments, to get a thing done quickly and it is a hard matter to arrive at it.

Q. Perhaps you will illustrate what you mean?

A. For instance, we had a piece of paving on Wyandotte Street and we started our work and we took the asphalt plant over at that time and we wanted to make a good job, I took the matter up through Mr.McGill and it had to go to Mr.Silcox and then to Mr.Fairlie and through Mr.Fairlie to Mr.Gaby and through him to the Commission, the result was that we had to back away from the work

for a week, we had to leave it. That is the only real complaint.

Q. You think there should be men on the spot in charge who could deal with these matters? A. I do, at least things which would not necessarily have to be dealt with as a matter of policy, the questions of policy possibly should be dealt with by the Commission.

Q. You are not speaking of that? A. No, things we would like to get done. I think there should be more local contact with them. That is about the only thing I have had any connection with them. I say this without criticism at all because Hydro has had a real hard job here in connection with the street railway, there is no question about that. The Hydro Electric engineers are perfectly willing to stand criticism and they are 225 miles away at Toronto. I am speaking probably from a selfish standpoint.

Q. You look as if you were not suffering very much?

A. That is the only complaint I have. We have had everything done we wanted but it has taken some time. I believe it would be better if they had somebody here that could give us a decided answer a little quicker than we get it.

Q. If Mr.Fairlie had authority could he fill the bill?

A. I think Mr.Fairlie has quite a lot of authority but the trouble is getting it.

TO COMMISSIONER HANEY:

Q. Do you give reasonable notice when you want anything done; important work cannot be done on the spur of the moment? A. The reasonable notice in the case of Wyandotte

Street was that they finished work two blocks from the end of the street last year and they had two blocks this year to finish out. Wyandotte was done in 1921 as far as Hall Avenue and the remainder two blocks were not done and naturally we wanted to go ahead and then it became quite a peevish thing, we were not going ahead with the paving at all. They finished work in the Fall and naturally when we came there we expected to have the other two blocks done but we had to back away and go on to another job. If there was proper authority in somebody it would have been started and done at the same time, what the reason was I do not know.

Q. Don't you think if you communicated with the Hydro officials and said to them, "In ten days I want to go on with that work" they would have met your request?

A. I can tell you I did that in connection with that very matter. As a matter of fact we went back twice on the job, we had to back away from that job twice.

Q. You notified them? A. Yes, in fact they started to rip up and there was some hitch in connection with it. Once I got away from the job then I was not much interested until they got through so that I could get back and finish up the work.

TO COMMISSIONER R.A.ROSS:

Q. Have you ever been on the other side of the fence?

A. Yes, many a time. There was a suggestion about a Commission being promised to be appointed here. As a matter of fact it might interest you to know that I took charge of the campaign in the west end from here

to Anderdon and we were the ones that lost one of the municipalities so that we could not have carried on a good campaign.

Q. Did you make any promises? A. Not personally, but I attended pretty nearly every meeting and I heard no promise of what the amount of fares would be, it was not mentioned, but there was a promise that the railway would be run at cost. The Hydro took it over with the purpose of keeping it out of a local commission because there is a tendency for a local commission to become mixed up in a political way and liable to build the railway out and to stop twice for a double house, that is exactly what the idea was in having Hydro take hold of it, so that there would be no local men in charge of it. Take it out of the hands of the local people here who would not run it the way it should be run. The experience of the Port Arthur Railway was they built out miles into the country and I understand there are trees growing between the tracks on part of it.

Q. Do you know anything about these switches that they have run off for the purpose of loading up liquor? A. Yes, I know where there is one of them down here at the British American Brewery, that is all I know about it, I saw it. I think there are three others down the river front turning into property below Turkey Creek. We are not much interested in that side of it. I believe the idea of getting a combined committee of all the municipalities is worthy of thought; I think that is good, there are combined questions that come up.

Q. That would be an Advisory Committee? A. Yes.

TO COMMISSIONER R.A.ROSS:

Q. Would they work together? A. I think so.

Q. Have you any combined scheme now? A. The Essex Border Utilities Commission, of which, unfortunately, they elected me a member. That Commission runs the sewers and water works system of the whole district of the five municipalities at the present time.

Q. Don't they charge Windsor with having the advantage? A. They charge so.

Q. Through your influence? A. No, I have only been on since they changed it. Windsor of course is the big municipality in it but we have only five out of seventeen; there is Ojibway, Sandwich West Township, of which there is 2,400 acres, the Town of Sandwich, Windsor, Walkerville and Ford and we had Sandwich East in it but that is now divided into Riverside and Tecumseh, Tecumseh is out now.

TO COMMISSIONER HARRIS:

Q. That is run by one Commission? A. Yes.

Q. Each municipality pays its proportion? A. Yes, there is a provision that allows it to be changed every two years based on population, area and capacity times distance.

Q. I have always thought there must be a friendly feeling amongst the Border Cities here because you all seem to be pulling together and have a very live Chamber of Commerce and I suppose representatives from all these municipalities belong to it? A. Yes, as a matter of fact on election day all the municipalities

carried the combined filtration plan. There is one thing, I heard them talking about in the discussion of how the money was raised in the beginning, my understanding of that was that this $2,100,000 wasraised, of which $190,000 was for the electric light plant, which Windsor paid, and in addition to that there was $251,000 in that original $2,100,000 for betterments.

MR.GABY: $190,000 and $61,000 makes the $251,000.

TO COMMISSIONER HANEY:

Q. Betterments of the steam plant? A. No, of the general railroads.

Q. For rehabilitation? A. Yes, whatever it is.

Q. Rehabilitation has cost you a little more than that? A. There is nine hundred, some odd thousand dollars since. Of course it needed rehabilitating, there is no doubt about that.

MR.FAIRLIE: I want to clear up that road job, does Mr.Brian know where that double track contract stopped? A. No, I did not.

Q. It stop s right at the end of the single track that we were renewing and we had 700 feet to go and that was left over until 1922, that was a question of policy for the Commission. I did not have the funds, if I had the funds I would have kept on going, but the contract terminated where we connect with the old double track. In the spring of 1922 I took it up with Mr.Brian and he took about three weeks to get the City Council to absorb the pavement charges. As soon as they absorbed that I placed it before the Commission

and it was passed and we started in on the work.

MR.GABY: I think it was just a matter of policy.

MR.BRIAN: That bears out what I said in the first place that it takes too long to define the policy of the Commission, especially on small things, the bigger things you can wait for but for a small thing like that it should not have been kept so long as it was.

MR.GABY: Before any work can be undertaken it is necessary to get appropriations the same as you have to go before the City Council for anything you want done. We had to get all the details settled before we could ask for proper appropriations from the Commission, we have to know what we have to ask for, as soon as we knew that we asked the Commission to deal with it and then authority was given to go on and from that time on the staff would have full authority to proceed with the work.

MR.BRIAN: I appreciate that.

MR.GABY: No local man could do that. We could not give him a blanket order to go on and extend this railway as he deemed fit without having the matter referred to the Commission? A. Talking about appropriations I think the fault with the Hydro and where they made a mistake was in not doing what the Toronto Transportation did: raise enough money right at the start to turn around and put this road in proper condition regardless of figuring out how much money they wanted to raise. I knew you had to raise not only the amount of capital you wanted but you had to be

justified in doing that by the earnings. If it cost $4,000,000 you should have had $4,000,000 and charged the people six or seven cents and then you would be in a better position to reduce the fares. If you reduce the fares they pat you on the back but if you raise the fares they all complain. The Toronto Transportation Commission might be criticised but I believe they are doing the proper thing and they may be able to reduce the fares some day.

MR.FAIRLIE: We co-operate with Mr.Brian as much as possible. There are many times when he thinks we delay him but these things have to be referred to the Commission. The question of capital expenditures are under the control of the Commission and these things cannot be dealt with locally by me or by our local man, we have things of considerable magnitude to deal with and they cannot be dealt with over night.

COMMISSIONER HANEY: You apparently had all winter in this case.

MR.FAIRLIE: No, the contractors finished that contract in 1921 between Christmas and New Years and during the winter we negotiated with the City to get their approval to absorb the paving charge, the nommal paving charge is absorbed by the City as a paving charge and the abnormal charge is paid by the Commission. The resolution passed by the City Council did not cover these specific fees and we requested that and when I got that resolution I referred it back to the Commission and got their consent.

Q. You were acting all winter and did not get anything done?

MR.FAIRLIE: No, it was not a question of acting all winter, we did not take the question up until March, April or May and when we did get authority the work was done by contract.

THE CHAIRMAN: Mr.Mitchell informed us that we were not here on the invitation of the City Council. We were appointed to inquire into the administration and expenditure of the Hydro Electric Power Commission of Ontario, without reference to whether any City Council or anybody else wanted us or not. If we limited our inquiry to what others wanted us to do we might not accomplish as much as we should. In this case I have looked up the matter and I find there was a letter received by the Secretary of the Commission from the City Clerk of Windsor. She was asked whether she wished us to have a hearing here and she wrote on November 24th and in her letter refers, I note, to members of the City Council. I suppose the Secretary who informed us that the Council had invited us here did not distinguish between members of the City Council and the City Council. This is how the letter reads "In reply to your communication of the 7th instant I beg to state that I am directed by members of the Council to request you to notify this City of the holding of any hearing in connection with the administration of the Hydro Electric Power Commission of Ontario in order that we might have an opportunity to send delegates."

ALDERMAN MITCHELL: I made the statement that the City Council nor any Committee of the City Council had

not sent a communiction to you or to anybody.

THE CHAIRMAN: I think you are strictly right but you can see how our Secretary might have been misled. This is a letter written on the City letter paper with the coat-of-arms of the City of Windsor at the top and is signed by the City Clerk.

ALDERMAN MITCHELL: We have some very clever aldermen in very many of these things so that you can read between the lines. I might say different communications went to the Hydro Electric in the form of telegrams and letters in the ~~name~~ of Committees, I do not know whether the Clerk's name was signed, I do not think so, and these left the impression with the Government and with the Hydro Electric Power Commission that the City Council of the City of Windsor were taking a certain stand. I want to say, sir, that all this matter has eventually been cleared up without causing any ill-feeling between the members who did this and the City Council. This is just some more of the communications that have gone to Toronto. I fully realise that you have full power to come here and deal with the matter.

THE CHAIRMAN: You will understand our Secretary thought it was the City Council that was directing this letter to be written.

ALDERMAN MITCHELL: I had a copy of that letter in my pocket at the time I spoke.

J. A. ANDERSON

I come before you with a good deal of sympathy for the other fellow, I have listened with a great deal of interest and also a great deal of surprise at what I have heard this afternoon. I have been the goat for twenty five years, and perhaps I am justified in taking up a little of your time after what has been said to-day about the obsolete system that was taken over by the Hydro Electric.

Q. A good many of them have spoken about that?

A. They can take either side of the dilemma they like. The Hydro Electric Commission pride themselves on being composed of a lot of supermen, men who think they know their business, and they come here and take months to look over this system which was wide open. I took them over the road several times myself. They have men on the track department, men on the Power department, men on the overhead department; master mechanics, electricians and everything else, to examine this obsolete system, which they say they took over for these municipalities and paid the price without telling the people that they were buying an absolete run down Street Railway system. If they want to take that side of the dilemma I say it was unfair to the people of these municipalities that they should have taken them in blindfolded and recommended the purchase of a system which was in that run down condition. I happen to have here the record of the last year's operations, and I am going to read to you what this obsolete system did for the year 1919 ending December 31st. We also operated for three months for the Hydro Electric Commission after

they purchased. That was during the three hardest months of the year to operate, through the slush and snow. They claimed they were not ready to take it over and asked us as a favor to keep it running, which we did. It is quite natural to think that in these three months we were not going to do more than to keep it running. When we turned it over on the first of April this obsolete system had one crippled car, the rest of the cars were all in operation. In 1919 this obsolete system spent $80,500.00 on maintenance account for way and structures, $1,650.00; maintenance of way $36,430.00; maintenance of Electric Railway $11,328.00. Maintenance of buildings and structures $817.00. Equipment $2,067.00. Maintenance of power plant $15,636.00. Maintenance of cars $12,257.00; making a total of $30,156.00 for the maintenance of equipment and $50,227.00 for maintenance of way and structures, that amounts to $80,000.00. We operated the system that year and for six months of the year, we paid the men within five cents an hour of what they are paying them today. They have increased the mens' wages about five cents an hour about three months after they took the system over, which is about a ten per cent increase over what we were paying. Our surplus for that year's operations was $82,348.90.

Q. Was that after paying dividends? A. We never paid any dividends, but that was what was available as dividends. The previous year it was $62,505.00 and that is the smallest year we ever had, and that was the year we asked for an increase for the men who came forward and demanded $45,000 and $50,000 increase in their wages. The men were

out on strike and we asked the municipalities to give us an increase in fares to five cents, and the Council promised to give it to us if we would start the men to work. We did start the men to work and as soon as we got them started the municipalities said they could not give us the increase until they submitted it to the people. They knew perfectly well it would not carry, and it did not. Sir Adam Beck came here and advised the people not to pay five cents and said they could operate the road for less. I don't know whether that had any effect, or not; because I do not think it would have carried, people don't vote to increase their obligations in that way. We were selling six tickets for a quarter and we asked for a straight five cent fare which would have meant $40,000 increase, the amount of money we had to give the men in wages. That was voted down and the men immediately went out on strike again and the road stood still for some time until the Ontario Railway Board took it over and operated it for a time. That was in May or June in 1919. The Railway Board endeavored to operate for a couple of weeks and the men turned it down. We had offered the men 45 and 50 cents,an hour and Mr.McIntyre agreed to pay them that if they would go to work. They hung out for two or three days before taking it and then finally went to work and after the Railway Board had operated it for a couple of weeks they were very glad to turn it back into our hands.

Q. How long was the service stopped?

A. About three weeks.

Q. What were the gross earnings for that year?

A. $374,543.00.

Q. That would be approximately for eleven months?

A. Approximately for eleven months. Net earnings $117,355.00 lighting plant, $21,399; leaving a net profit from all sources of $82,384.90. That is what we accomplished in the last year of operations of this obsolete run down road. They can take either side of the dilemma; if it was an obsolete run down road, they did not deal fairly with the people, but I say it was not an obsolete run down road; the road was kept in good operation. I am told by our engineers that when they took the road over, their engineers agreed with our engineers that the road was 85% efficient. If it was 85% efficient after 27 years of operation, I do not think it could be said it was very obsolete. There were parts of it that required a good deal of renewing and we were only too glad to renew the tracks if they would allow it. We wanted to double track and they would not give their consent. We were held up off and on for ten years. The only thing we w were allowed to do was in the year 1915, we were allowed to double track a little piece of London Street for about half a mile. In 1914, the people were clamouring for better service, and we were so anxious to relieve conditions that we offered to put a loop around Ferry Avenue, and we started to put it in and we were taken into court. We finally lost the day and had to tear the tracks up, on the ground that we had not asked the Railway Board for their consent. The Railway Board gave their consent but that would not do. We were held up and embarrassed in that way at the instigation of some parties. The Mayor at that time,

Mr.Tooson, and afterwards Mayor Winters,told me they could not give us permission to do anything. I asked them the reason and they told me Sir Adam Beck told them they should not let us do anything. They were simply dogging us out of the business. The last thing I wanted to do was to double track from the Prince Edward Hotel, less than 1,000 feet; Mr.Winter was mayor at the time and the Railway Board came here and begged and advised them to let us do it, but they would not allow us and I had to take up the old track and put down a single track. That cost us $10,000 in 1919,and they ripped it all out the next year and put down a double track. They practically scrapped what we had done. What could we do under these conditions? I went to our people and I said "There is no use in worrying along in this way; get your money out of this road". They were not anxious to sell but they thought the matter over,and they said,"We are held up; we are not allowed to do anything; there seems to be a desire toput us out of business; our investment is about $1,800,000". And they asked me what they should get,and I said,"Get your money out". They took my advice and I told Mayor Blake and Mr.England that I thought they could purchase the road. They said if I got a committee I could take them over and discuss the matter,and I said if they could buy the road by all means to buy it and put it into the hands of a local commission to operate. Don't put it into thehands of the Hydro Commission 220 miles from here; get a local commission of your own,the same as London has. But they were in such a hurry to take the road over,that in two or three days they went off to Toronto,and then negotiations started. I was interested in selling the road,and I

did not care what condition it was in; I was not selling it "unsought and unseen". My interest was to sell the road in the interest of the people for whom I had been operating the road for 18 years. I had nothing to do with the price secured, but I do say this, irrespective of any evidence that any one can give, the road was and had been maintained and kept up from year to year in a good, efficient operating condition, and the maintenance charges and upkeep of the road from year to year were carried on the same as any other system. We did not write off anything for depreciation. The road was kept up, and when there was anything to be done it was done, and the road kept in good operating condition. They did scrap about twenty open cars. We had not used these cars for years except during the fourteen days during the horse races. They used the rest of the rolling stock and that is all they had excepting the second hand cars they brought from New York. The balance of the cars have been in use continuously until the one man cars came here, three or four weeks ago. In my estimation, the cars they got from us are better than their one man cars. My estimation is they are making a one-man car of the system here. Instead of its being a Metropolitan system, it is being relegated to a one-man car system. I should never have thought of making a system of that kind here. I might have put one-man cars on one line between here and the Michigan Central Tunnel, but that is the only line I would have thought of putting them on.

MR. GABY: I would like to ask -

MR. ANDERSON: I did not come here to get into an

argument or be asked any question in any way by Mr.Gaby, Sir Adam Beck or any one else. If you want to get any information from me,I am here to give it. They tell me there has been over a million dollars spent on this system; why that is a shame ! The system cannot stand it,and let me tell you,it is too expensive for this community; they cannot bear it.

MR.GABY: If these statements are going to be made against the Commission,we would like to have the details, and we would like Mr.Anderson to show how he can do the work any cheaper than we did.

MR.ANDERSON: I can tell you one thing,I did do it cheaper.

THE CHAIRMAN: Perhaps we had better let you go on and we will ask for details later.

WITNESS: I did not make these statements; they are made by our auditors.

COMMISSIONER J.A.ROSS: If these statements are based on that file,I think we should have the whole file.

MR.ANDERSON: Take insurance and damages,we set aside two per cent of our gross receipts to take care of all claims and damages,and that gave us between $7,000 and $8,000,and the claims for damages for that year were $7,304.12,and the year before they were $6,103. We never used the whole two per cent up. The claims were all settled in our own office. Some claims were taken into court. I am told that the Hydro Electric Power Commission pays a premium to an insurance company of $21,000 to take care of their claims. There is $14,000 more than we were paying.

COMMISSIONER J.A.ROSS: What insurance company is that? A. Some local company here; the manager told me that. I don't know whether it was the Liverpool,London & Globe or not.

Q. Did you come under the same scheme as the D.U.R.A.?

A. No,they set aside three per cent of the gross to take care of their claims,and 3% is doing it today on the municipal system. In three months after they took this system over,they put on a five cent fare and that gave them an increase of $40,000 a year,and in addition to that they did not have to pay taxes.

Q. Do you know what the taxes would amount to? A. Our taxes amounted to $26,000 one year,and the year they took it the taxes were $22,458.

Q. Was that paid to the different municipalities?

A. Yes,and franchise taxes and also to the Dominion Government.

SIR ADAM BECK: Practically it was an income tax that they were paying.

MR.ANDERSON: We paid it out of our revenue; they did not have to pay it. Then they shoved the responsibility of paying on the taxpayers which amounted to $32,000. They placed themselves $90,000 better off than we were. Do you think that is economical operation? They are learning the business at the public expense; they get their money too easy. If they had to get their money in the same way that I got mine,they could not show a surplus of $82,600.

MR.GABY: There was no interest charged against the investment.

MR.ANDERSON: There was interest on the bonds.

MR.GABY: Was that included in that statement before you arrived ,of the $82,000?

MR.ANDERSON: It was taken off the $82,000; there it is right at the bottom of the statement. Every charge that could be made against revenue was taken off. There is the net revenue of $82,584. It was not cash; it had gone into the system. I had spent that money in the upkeep of the plant. They never drew a cash dividend out of the system in 18 years.

Q. Do you suggest then that if the Hydro had to raise money as a private company had to raise it,they would not have made the expenditures they made? A. Never. They double tracked streets where there was a fifteen minute service,and only two cars running. The capital charged for road would be as high as where they had a forty second headway. We would not double track for a couple of cars; we never could do it. No private company could do it; no man of experience would do it unless he was getting the money easy. I am not opposed to municipal ownership if it can be done as cheaply as a private company can do it.

COMMISSIONER J.A.ROSS: You said these open cars that were scrapped had some value? A. Yes,we used them at the races.

Q. In their statement there is an item of 14 closed passenger cars that they classed as being of little value? A. They have been operating them.

Q. No,they scrapped them? A. I don't believe it.

Q. And two box cars and two flat cars? A. They might have

scrapped some of these.

Q. This item of fourteen closed cars is rather a big one?

A. I think so,and I would like to have particulars.

Q. If they scrapped 14 closed cars,they apparently had very little value? A. I don't know how they operated the road if they scrapped them. I have seen the cars operated from day to day for the last two and a half years,and they have been operating the system with the rolling stock they took over from us with the exception of these cars they got from New York.

Q. As I understand you,they did not scrap these 14 closed cars,but they continued to operate them? A. I think they did.

MR.GABY: Take the operating statement for 1919,and you will see what the net earnings were. The D.U.R. had $600,000 or $700,000 invested in this road which would not be shown in the bonded indebtedness. We have given this additional service which the public demanded. We are operating the system at cost and we must have been giving a sufficient service even with the one man cars or we would not have the receipts.

MR.ANDERSON: We operated at a cost of $26.96 per car mile.

MR.GABY: Ours is 23¢?

Q. What was the operating revenue? A. 37.26 gross revenue and operating expenses 25.53,and that left us net 11.73 per car mile.

THE CHAIRMAN: What do you say about the increase in wages being 10%?

MR.GABY: This is during the time they were operating

in 1919, that was only five months. For the first seven months of that year, he was only paying 40¢ an hour; we have increased that about 37%.

MR. ANDERSON: For one month in 1919 we did not do anything for 27 days on account of the strike.

MR. GABY: They were paying 40 and 45 cents, and we increased it to 50¢ and then to 55¢, that is 37% increase.

MR. ANDERSON: The increase they took for the five cent fare and not paying any taxes or doing any pavement gave them a $90,000 increase over what we were getting.

MR. GABY: You cannot estimate in that way.

COMMISSIONER R.A. ROSS: The cost per car mile tells the storypthat is, the difference between the revenue and the operating expenses is the whole story.

COMMISSIONER HARRIS: Where did you sell your light and power? A. We sold it in competition with Hydro for eight years. We generated power for six-tenths of a cent.

Q. From steam? A. Right at the Canadian Salt Company. We made $22,000 profit on the light and power.

Q. $22,000 of the $82,000 would be from the light and power? A. Yes, the two systems were being operated together.

MR. GABY: The real story is that our car mile cost today, notwithstanding the much higher wages, is much less than their car mile cost.

MR. ANDERSON: So it should be; you cut the platform expenses in two by the one-man cars.

COMMISSIONER R.A. ROSS: The criticism is one of operating efficiency between a privately owned Company and Hydro. It is so much per car mile on one, and so much per

car mile on the other, and that is the answer to the whole question.

MR. GABY: That shows real efficiency, because take the average of a great many roads that operate only one-man cars and they run twenty-one and twenty-two. We operate as many two men cars as one-man cars. On the Niagara and St. Catharines Railway they run as high as 49 and 50 cents a car mile.

MR. ANDERSON: Ours was all two-man operation.

THE CHAIRMAN: I understand you disapprove of the one-man cars? A. I think it is a retroactive movement. Take a metropolitan centre like this of 60,000 people, and put on one-man cars, I think it is a retrograde movement. The drop fare today should be 8¢ instead of 6¢; they cannot get away from that. It is all right enough to shift the responsibility from the car rider and throw it on the taxpayer; they tried to do that in Detroit, but the people voted it down. When this system was taken over, the people expected they were going to take over the franchises and operate the system the same as we were.

MR. GABY: Where did we shift any taxes? A. Paving and taxes were $72,000 in two years.

MR. GABY: We pay the same amount of taxes you paid to the municipalities.

MR. ANDERSON: I say you do not because I went to the Tax Collector to find out, and you did not pay them.

MR. GABY: We paid taxes in the same way that you paid them.

MR. ANDERSON: A year and a half after you took the

road over, they had not been paid, because I paid our proportion for three months of 1920, and that was the only taxes paid.

MR. GABY: That is true, but the taxes have been paid.

MR. ANDERSON: I am making no complaint only it is an extravagant operation. Instead of the fares being lower, they will be higher. The capital expenses of this system now are over three million dollars, and it cannot be operated ~~th~~ at that rate of fare. The deficits admitted here today show ~~that~~ $33,000 in nineteen months' operation.

SIR ADAM BECK: What would it be if you had continued operation the way it was? I suppose it would be scrapped rails and all.

MR. ANDERSON: It was earning money any way; it cannot stand the expensive way it is being operated now.

COMMISSIONER J.A. ROSS: Q. Do you think Hydro paid too much for the system? A. I do not think so.

Q. Apparently there is a great discrepancy between your ideas of standard equipment and Hydro's ideas, because they have scrapped 39 cars which you state were perfectly good to operate, is that correct? A. I do not believe any such statement.

Q. Is it a fact they have scrapped them? A. They may have scrapped a lot of these open cars that we did not use for years, except for the horse races.

Q. Your point is these are still good enough to be used?

A. Still good enough; if we had the system we would use them.

COMMISSIONER R.A. ROSS: Q. How do you overcome the car mileage situation from the comparison made here tonight,

the operation by the Hydro Power Commission is considerably lower than your operation? A. I have never seen any of their statements,and I do not know.

Q. You can switch figures as you like, but you cannot switch facts? A. I do not dispute that at all,but when you put up a proposition to me as an engineer that one road is operating at one figure and the other operating at a less figure,I say they have increased revenue.

Q. We are talking about operating costs? A. Let them show the net results I have shown. They have a deficit of $54,000 in 19 months,and I had a surplus of $82,000.

THE CHAIRMAN: Your opinion is that under sound business operation,they would not have scrapped that road? A. Never,they would have gone on from year to year and rehabilitated it out of revenue; I had to do it out of revenue. I did not get any money handed to me to do these things.

Q. You say it would not have been done if they had to raise the money themselves? A. No,I do not believe it would.

Q. Has the population increased in this district? A. Yes, I think so.

Q. That would make some difference ? A. Yes,they are making one track along the front street where we had a double track for six years. The people are clamouring for better service and they propose to give it by taking one track away. The mileage of the road has not been increased since they took it over,when they wiped that track out. The only addition they made to the system is that little loop and they put every car around that loop,and that takes time.

[illegible]

[illegible] your opposition. [illegible]

[illegible] I do not know.

You [illegible] figures as you like, but [illegible] actual [illegible] A. I do not dispute that [illegible] [illegible] a proposition to be as prosperous [illegible] [illegible] at one figure and the other opposition [illegible] [illegible] I say they been increased greatly.

Q. [illegible] building and operating costs? A. [illegible] the [illegible] results I have shown. They have a deficit [illegible] [illegible] I find a surplus of [illegible].

[illegible]: Your opinion is that under [illegible]

A. [illegible] would have done [illegible] your [illegible] [illegible] if put on revenue. I find [illegible] [illegible] I did not get any money needed to [illegible]

Q. [illegible] would not have done [illegible] if they had to [illegible] money [illegible]? A. No, I do not [illegible] [illegible] the population increased in Philadelphia [illegible] I think so.

Q. That would have done differently? A. [illegible] [illegible] on along the front, when we had a [illegible] for 5 years. The people are [illegible] [illegible] that they propose to give it by [illegible] [illegible]. The [illegible] of the road [illegible] [illegible] [illegible]

[illegible] the only [illegible] they made to the [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

They are not giving the people the same service as we gave them at all.

Q. Will the buses increase their revenue? A. It is a trackless trolley; we were going to build a line out there in 1917. We offered to build all the extensions they wanted if they would increase our franchise for nine years to 1931, The President said if they increased the franchise for nine years, that if at any time the municipalities wanted to take the system over, they would appoint an arbitrator and the City would appoint one, and they could take the road over at any time.

Q. I understand their car mileage is 1,500,000 and your car mileage is only 1,000,000; where do these 500,000 car miles go? A. Search me; I want to give you something to think about.

COMMISSIONER J.A.ROSS: Your last answer is not very helpful? A. I am not keeping the car miles now; I don't know anything about them. It is a very easy matter to increase the car mileage on paper.

COMMISSIONER R.A.ROSS: It looks to me as thought their investment was justified, that is, this $1,000,000, because they paid $2,000,000 for the road, and it has cost them $3,000,000 today, and they have got a 50% increase in car mileage out of that investment, so that on a capital basis, they are the same as you were.

MR.ANDERSON: Of course the population has increased.

COMMISSIONER J.A.ROSS: One reason is the building of more lines to look after the increased population?

A. I would not say that.

Q. People will naturally be drawn to a city where they have a good hotel and good car lines and other things?

A. They did not build the hotel. It is a question that I cannot answer.

Q. I think you have given us a lot of light on it?

A. I am simply saying, "There is what our operations were at the time we operated the system. I built the system, and I think I know the requirements of the people. If I had the money given me to do things, I would have a terrible system - with another million, I could have doubled it.

W.R.ROBERTSON, General Manager of Railway.

The old line was valued at $2,000,000, and it had an earning power the last year Mr.Anderson was operating it of $377,000. The increased capitalization has been $1,000,000, and we have an earning capacity of over $575,000.

There are a few little points that Mr.Anderson did not mention that I want to talk to you about. We scrapped the Mara anyway. It is well know that 1919 and 1920 was the peak of prices. Mr.Anderson was paying $35 and $37 for a set of Armature coils, and they have since gone up to $135. He tells you that he spent in car repairs $30,000, and I think that was a pretty high price for the last four or five years. The price of coal went up, and in place of getting power for $21, $23 and $24, as Mr. Anderson did, the price went up to $51 to us in 1921, and we got it from the same source that Mr.Anderson got it. Mr. Anderson paid as high as $119,000 in a year to trainmen and our wages for trainmen have gone up to $215,000. It is quite

true that we do ~~x~~ insure against accident, but we pay a little less than 2% of our gross revenue.

Q. What is the total amount you pay? A. I have not that here, but the total amount including insurance on the plant is $26,000, that was for last year.

Q. How much of that would be accident insurance? A. I would say 40% or 50%. We figure the plant is worth more than the plant he had.

Q. Where do you insure? A. In a number of companies.

Q. Do you insure it here or in Toronto? A. In Windsor.

Q. Who manages it? A. There are half a dozen different companies. It is distributed among local agents.

Q. More than one agent? A. Yes, Sir.

We have only been operating these one-man cars since July, when we received the first one. We have only about 40,000 one-man car miles. We should not feel a big reduction in operating costs on the operation of one-man cars only. Our cost of operation in September was down to 24¢ and in October it was less than that. In addition to the fact that we are running trolley buses, it is 24.99¢ per car mile, and our operating ratio was 68.77, and that notwithstanding the fact that prices of labor and commodities are considerably higher than when Mr. Anderson was operating for 27.

Q. You say it is 24 for October? A. For September.

COMMISSIONER JA. ROSS: Q. I have an average for the year of 30¢? A. Yes, Sir.

Q. When the one-man cars came in, they did reduce it?

A. I will give you the operating per car mile by the month. It was on account of better motors and more economical

operation . Our cost of operating since January,1922, was 32.9. In January it was 32.9; in February 32,69; April 30.33; May 30.72; June 29.19; July 29.4; August 26; September 24; a and 23 something in October.

MR.ANDERson was talking about equipment. I reppect Mr.Anderson,and I don't want you to take anything I say as offensive. There was a lot of old equipment,I won't say what condition it was in,but we get a great deal more efficiency out of our present motors; they are not nearly as heavy as the motors he used.

Mr.Anderson had 309 accidents in 1919 according to his own reports. We had 244 in 1920 with a considerably greater car mileage,and 169 in 1921

and approximately the same in 1922.

If he got away with his 309 for $7,000,then some of the fellows who were hurt were not paid.

THE CHAIRMAN: It might be that the accidents were very slight? He might not have run his cars as fast as you do? A. Might not have; we figure the equipment is in pretty fair condition.

Q. How much has been rehabilitated of what you got from the company? A. I presume possibly 50% of it has been rebuilt entirely.

Q. What have you left of what you bought from him? A. We have possibly 20 cars.

Q. You have not got the rails? A. No.

Q. New ties? A. Yes,absolutely. On Ouellette Avenue they put no concrete under the ties with the result that after it has been in operation a couple of years,the ties go down,

and the surface cannot be repaired.

Q. What did you get for the salvage of all this material?

A. We got current rates running from $11 per ton to $20.

Q. What was the total amount? A. Mr.Fairlie can answer that question.

MR.FAIRLIE: We got from $22 to $11. The total amount would be about $1,500 for the whole thing.

Q. Rails and all? A.We still have a half mile of track to dispose of on Sandwich Street. We are selling it today at contract price at about $13. They got recently in Toronto $17 for steel rails.

COMMISSIONER J.A.ROSS: Q. I am curious about these cars; you scrapped 21 open cars and 14 closed and two box cars and two flat cars,that is 39 cars,quite a number?

A. Yes,it would be.

Q. What was the condition of these cars? A.We scrapped them all; we can eliminate the open cars because there is not a railway in the country using them,it is not permissable according to law; they were practically falling to pieces. It was dangerous to start operating these cars in the condition they were in. In connection with the closed cars,I presume most of the citizens here know what the 30 type is; we used to have to jack up both ends to put in the windows,and we thought it was time to scrap them. We also scrapped a number of the 40s.

Q. What about these one-man cars that the people of Sandwich complain that they cannot sit on the seats?

A. I guess possibly the passengers are not built to fit the seats. The one-man cars we are operating are the most modern one-man cars in the country. There are over 6,000 one-man

cars operating in the United States,and in 1914 there were not any in use.

Q. Are there any in Toronto? A. Yes.

Q. The one man car is not a symbol of a small town? A. No. The one-man cars operated in most cities have single doors, and we have two doors,most of them have a single floor and we have a double floor. Our cars are a good deal heavier than most one-man cars,and have 240 H.P. motors. Every company is operating one-man cars,and I think it will become more general as time goes on.

THE CHAIRMAN: Q. How much did you get for the salvage in all,a total of $1,500? A.The bulk of the rails here were 56 pound rails. I could not tell you how much we took up in miles; I could run over it. On Ouellette Ave. we took up 700 feet of steel that we laid down again; it was single track and we put down double track. On Wyandotte Street we took up some rails and on Sandwich Street we took up about 700 feet and disposed of it. On the interurban lines,we had bad rails all over the country,and we took out probably 10% of the rails. We took out odd rails all the way along. We have probably taken out four miles of steel to date.

Q. Would it be correct to say that of what you purchased from the Detroit United Railway 60% is represented by the roadbed? A. Of what we acquired? Yes,more than that, between 75% and 80%.

Q. So that really all that you have got left of what you got when you purchased is the roadbed. You have in some cases laid a double track where there was single track? A.

A. We have laid double track on probably two and a half miles where formerly it was single track.

Q. You took up some double track? A. Yes, very little. We took up the double track to Cribway, and in each case the reconstruction is more substantial than what was down before. In many cases where we took up the old roadbed, we found no concrete under the ties at all; they rested in gravel, and any settlement of the roadbed carried the whole structure with it, and we had to go over all the track. We practically covered 90% of the old track.

Q. Did I understand you to say that 80% of what you paid for this property was represented by right of way and roadbed? A. Yes, way and structures, including overhead and the distribution system.

Q. What would the overhead amount to? A. A total of $125,000.

Q. What would the right of way be? A. right of way and other land including the car barns site amounted to about $66,000.

Q. What would the buildings amount to? A. About $84,000 or $85,000.

Q. That would mean that your grading would cost about $30,000 or $40,000 a mile? A. Yes, cost $30,000 or $40,000 per mile; that would include everything.

Q. We have taken off the rails and the land? A. You have not taken off the ties and the ballast and so on.

Q. Was there any ballast when you bought it? A. Not very much; we could not find it.

Q. I thought the ties were nearly all rotten? A. Of course there was the labor of putting it in place.

Q. I thought you said the ties were nearly all gone?

A. We re-tied 20 miles of track; there are 2,700 ties per mile; about 54,000 ties. We have put on that 20 miles about 22,000 ties, so that our renewals are practically over 50%, and we have a couple of miles we have not touched.

Q. Would not 30,000 per mile be pretty high for grading?

A. Including the distribution system and everything.

Q. I have taken it off? A. I don't see how you get $30,000 for the grading. Our actual grading account is only about $63,000.

Q. I am trying to find out what you had left; you really have replaced 50% of the ties; you have replaced all the rolling stock; you have replaced 50% of the rails, and all you have left out of the original purchase that you have not replaced is the grading and the land? A. Yes, and bridges and culverts.

Q. Did you rebuild any of the bridges? A. Yes, put down a new span at Cunard Creek.

Q. Deducting all the other things, you would have about $1,000,000 left for the grading? A. Approximately

Q. Which would seem high? A. Roughly.

Q. You paid a high price for the grading? A. I would like to run down the accounts to give you an idea of that.

Q. Have you a profile of the line as it was originally?

A. Yes, I do not think that in any case we have over a three foot fill. The average fill on the line is about a foot and a half. That is the subgrade fill, and then there is the ballast, what there was of it.

Q. What would a three foot fill run per mile? A. About 6,500

yards per mile exclusive of the ditches.

Q. $30,000 per mile would be $5 per yard? A. Yes, they value land very high up here.

Q. What I am trying to discover is what you got for your money? A. We have been trying to discover that ever since we got the property.

COMMISSIONER HARRIS: Q. Nothing has been said about freight; does the freight traffic amount to anything on this road?

MR. ROBERTSON: Not very much, possibly about $50,000 per year.

Q. What does it consist of? A. All kinds of merchandise, liquors and so forth.

Q. The people in Toronto are interested in knowing why the management of the road will continue to carry liquor?

A. That is a matter of policy that I have not got anything to do with. We are handling it because it is offered to us.

Q. You don't seem to pay any attention to their request that that should be discontinued? A. That is a matter of policy.

Q. Would the Chairman of the Hydro Commission be responsible for that? A. The Commission is responsible for it until they issue instructions not to carry it.

MR. GABY: Do you know what is in these cars? They are sealed?

MR. ROBERTSON: Not the cars sent to us by the Pere Marquette or the Essex Terminal; they are given to us by another railway.

COMMISSIONER HANEY: Q. Cannot you tell by the smell?

A. I never see them.

SIR ADAM BECK: We are trustees for the municipalities and they passed a resolution asking us to connect the warehouses, wherever they are, with sidings; as long as the company pay for the cost of the siding, it is their business. It is all right to talk about sentiment; we have to look on the commercial side of it. We are operating it for the municipalities, and as long as it is legal and proper that we should take merchandise of whatever character is offered to us, we are bound to accept it and route it and deliver it as directed by the shipper; we have no alternative. If we were sentimentally inclined and thought it was the proper thing, or in the interest of humanity to do it, that is a matter of opinion.

COMMISSIONER HARRIS: I quite agree with you.

A. We took the precaution to procure the approval of these municipalities because it is a thing that may only last a few weeks and entail some expenditure.

ALDERMAN MITCHELL: It was a unanimous vote.

THE CHAIRMAN: Did not the concerns that ship this liquor build the tracks themselves?

SIR ADAM BECK: They paid over $15,000 for the sidings.

Q. Would that cover the cost? A. Yes, that was done on a cost basis.

Q. Have any of the municipalities except Windsor passed resolutions? A. Yes, I think Sandwich, and the municipalities where these switches are located passed resolutions - the four municipalities that were affected passed resolutions.

COMMISSIONER HARRIS: Q. You ought to tell the

people of Toronto to look after their own business?

A. I don't think it is the people of Toronto. I think it isthe Department, - Mr.Hales of the License Department. The Star began the criticism.

Q. Are these shipments being sent in a way that makes them illegal? A. No,indeed.

MR.GABY: It is absolutely legal; they tried it out in court and seized certain cars.

THE CHAIRMAN: It does seem a little anomalous for a Government that is trying to prohibit the sale and export of liquor and that finances the road on the one hand,and then the road does what they are trying to stop.

SIR ADAM BECK: They do not finance the road; the municipalities assume the liability. It is nothing to the Province except probably helping as to sinking fund and depreciation to make the Government security a little better. The stuff is not consumed in Canada; it goes over the line.

Q. Is this liquor which is taken over the railway subsequently shipped across the river to Detroit? A. It is delivered on the dock,and then the steamship comes up,one of them is called the Lusitania.

Q. They may go down the river? A.The stuff is consigned to the Lusitania for Mexico,some of it. The Lusitania takes on the car - whatever is contained in the car - and we do not sit there to see what it is,and it is going to Mexico.

Q. You know it is going to this dock? A. Yes.

Q. When it goes on to this dock you know pretty well it is being shipped out of the country illegally? A. No,it is not illegal; it is placed in bond by the Custom Officers.

ALDERMAN MITCHELL: We want the American money over here to fix the exchange.

MAYOR MCKEE: There is no siding in Sandwich.

SIR ADAM BECK: I was talking about the township. There are only two sidings, and one is in Windsor.

CHARLES E. WADGE.

TO THE CHAIRMAN:

Q. What can you tell us? A. I am in the Council in the Town of Sandwich. I do not ride on the cars and I am not in touch with the operating system. I have charge of the Welfare Department of the Ford Plant and come in contact with men who ride on the cars.

Q. Do you drive a Ford? A. Yes. The system as far as the Ford plant is concerned has been materially improved. They took the street cars off the street and made a loop alongside of the Ford Motor Company, vacant property inside the loop. Loading passengers from the street interferred with the service and it interferred with the system. Before all traffic was held up because of the fact that the cars were loading on both sides in front of the Ford plant. Now they have put in the loop four or five cars can be put in there and trailers and the men are able to go there at their leisure and get on the cars without interferring with the traffic. The loading service has been improved and there is a splendid service in the morning and a little overcrowding at night but but when you remember that we have over 3,000 employees there, 125 of them

living in Sandwich, four and a half miles away, and 50% of them living in Windsor, which must get there by bicycle or transportation of some kind and the majority of these men come out between five minutes of quitting time and they are taken care of by the street car service.

Q. How many live in Ford? A. About a quarter of them; Walkerville and Ford are about even, Windsor has about half and some in Tecumseh, the service has been materially improved as far as Ford is concerned by putting in that switch.

Q. The service is fairly satisfactory now? A. Yes, as far as that is concerned. There is a little grievance as far as the office staff is concerned, that is due partly to the fact that they go out there and come away at different hours.

Q. We were told by a doctor from there this afternoon that unless you had better service you would not grow? A. He is anticipating the new Ford plant which will cover over 14 acres and will undoubtedly double the population of Ford City in the next two years. I anticipate a great many Ford employees will reside in the vicinity of the plant, of course their families will want to go to Windsor, there will be a greater day traffic than there is today.

Q. From your observation I would say Ford City would not give sufficient revenue to increase the day service to any great extent at the present time? A. But it will undoubtedly in the next six or eight months. As far as the Sandwich end is concerned there have been a few complaints about the cars being cold; also

about the cars bunching. As an illustration, I rode on a car at a quarter to eight this morning and it was filled and the other man behind was not filled, if the man on the car I was in had used ordinary intelligence and had gone ahead and allowed the second car to pick up some of the passengers he would have made better time.

Q. That is a matter of management? A. Management of the road. I would say our Wellfare Department have had, on a number of occasions, to deal with Mr. McBill and he has in every instance endeavoured to eliminate the complaints we made. We had a number of complaints about one thing and another and without exception he has made an effort to eliminate the trouble. While it cannot always be done to our liking, an effort has been made. I think the service in Sandwich can be improved by having the cars run in a different way. Some of the stops were eliminated in Ford but the Sandwich Council, by a resolution, ordered the stops to be put back again. There are perhaps six or seven stops in Sandwich that could be eliminated. If arrangement could be made with the City of Windsor we might get together and eliminate all the unnecessary stops between the starting point and Windsor and the ending point in Sandwich. Each stop requires time for the person to get on or off and some of the stops are unnecessary.

TO COMMISSIONER HARRIS:

Q. I think these things could be remedied if there was some clearing house so that the people could get some machinery whereby they could get to the management of this railway? A. There is no use Sandwich cutting

off stops down there and leaving them in Windsor; that would only lessen the trouble slightly but if we would work together we would eliminate them and I think the great trouble is the stops. There are too many of them.

CHARLES T.SMITH.

TO THE CHAIRMAN:

Q. You are a member of the Council of Ford City?

A. Sandwich.

Q. What can you say about the railway? A. I think the situation has been covered here very thoroughly this afternoon and this evening. I had a couple of slight suggestions to offer but they have been taken care of. One of the objections in Sandwich was that at rush hours there was not sufficient accommodation but I believe I heard Sir Adam Beck remark in that corner of the room that they were prepared to bring larger cars here which would be used during the rush hours. If these cars are put on at that time and if they use the one man cars the remainder of the day, I think we would have a very good service. Then with regard to the loading of the cars and circling past the station, I think that is for the comfort of passengers transferring from one car to another but I do not think many use it because they might miss a car in the meantime by going around to the station. Last Saturday evening at six o'clock I arrived at the corner of London and Ouellette just behind the hotel where the Sandwich car comes in. At 6:15 the Sandwich car came along and at 6:25 I was back at the same point, in other words, it took ten minutes to

circumnavigate that distance. I feel that these difficulties can be readily adjusted if the different municipalities would see fit to get together and meet the Hydro on ground where they could talk to them. I think in the past there has been too much destructive criticism instead of constructive criticism. Instead of loading a broad side and firing it as they would be able to do if they had Committees appointed from each municipality, they have been using a shot gun and firing wild and never getting any results; that is about all I have to say.

MR.ROBERTSON: The reason we put the loop in there was because formerly cars on Ouellette Avenue used the west track and sometimes you would see two cars coming down the street in the same direction on separate tracks and they used to do all their "Y"-ing on the one corner of Ouellette and Sandwich Street which is a pretty busy street on account of the traffic to the ferry dock and we had to build the loop in order to get them away from that corner so as to relieve the congestion at that point.

THE WITNESS: Would it be feasible to take the Sandwich cars around Sandwich Street and Amherstburg cars the same and get the Sandwich ten minutes quicker in that way? I understand the London cars carrying a number of passengers that get on and off between London Street.

MR.ROBERTSON: The using of London Street is to provide service to the people. You only go two blocks over and it should not take you more than two minutes.

THE WITNESS: There is one other thing, the cars bunch sometimes on account of not having sufficient double tracks. If it happens to be foggy and the men cannot see, they have no blocking system and they will often stay at one point ten or fifteen minutes waiting for each other and I think there should be some system so that these delays would not occur.

MR.ROBERTSON: We only have a fog once or twice a year.

THE WITNESS: I have counted five or six of these one-man cars on the switch at a time. On the whole I think we are infinitely better off than we were before the road was taken over.

ALDERMAN ARCHIBALD HOOPER

I do not know that I can add a great deal to what has already been said.

TO THE CHAIRMAN:

Q. You were on the Conciliation Board at the time of the strike? A. I was.

Q. I understand you can enlighten us on some of the statements made by Mr.Anderson? A. I might say, gentlemen, that in my opinion, Mr.Anderson grossly exaggerated the financial side of the company.he represented, because I know at the time I defended the employees on the Board of Conciliation they brought in their Auditor's Report and if I had known this question would have arisen I would have brought it here. If my recollection serves me rightly they showed a deficit for

the year prior to that of $40,000 and stated quite emphatically that it was impossible for them to give the employees any increase whatever.

Q. You have that statement? A. I have.

Q. Can you let us have it? A. Yes, I will leave it at the Hotel. I believe the Minister of Labor, the Hon.Mr. Robertson, has a copy, when I sent him my minority report I also sent him a copy of that. Owing to some information I received I stated officially to the D.U.R. that the road had paid a certain dividend and showed a surplus and I stated at the time that their report was well camouflaged in their own interest.

Q. Anything further? A. I think in regard to the system as we have it at the present time it can be greatly improved and I think the only solution of it is to place two men on the one-man cars, because I believe these one-man cars are the sole cause of the congestion in regard to transportation.

Q. How is that? A. It is impossible, in my opinion, for one man to answer the various questions put to him by the passengers and make change and see that they deposit their tickets and at the same time operate the car as it should be operated.

Q. He does it in a good many places? A. Well, Mr.Chairman, a year ago this month I went to a great deal of trouble to get statistics from the various States of the United States where they are operating one-man cars. I found out that a great number of the States that have one man cars that the State Commerce Commission ordered them off the street.

Q. I have ridden on them at Toronto and they seem to be satisfactory. It depends on the volume of traffic?

A. You will notice if there is any congestion on the streets it is caused by the one-man cars. They have built up the rolling stock and have a certain amount of rolling stock that is a credit to the Municipality. I have gone through the power house and over their equipment.

TO COMMISSIONER HARRIS:

Q. The problem they have is to operate the whole system economically and profitably and I do not think there is any one item that will contribute to that result more than the one-man cars? A. I fully understand that is the reason the private corporations throughout the country are in favour of the installation and operation of one-man cars but it is not for the convenience of the general public, it is for their own financial interest.

Q. It is for the financial interest of the people behind this undertaking? A. I believe what the municipalities desire is service and they are quite willing to pay an increased fare if they are given an adequate service. I have talked with a great number of them, it is very seldom I ride in the street cars unless I want to find out something but I believe in the case of an accident the one-man car is nothing more than a trap, in as much as the doors are operated by air. If there should be an accident or an emergency I do not think the doors would open. If there is a leak in the air system the breaks would go into emergency and I believe it would affect the whole working of the car.

Q. The operation of Hydro has already reduced the accidents by 50%; another year they might wipe them out altogether? A. I quite agree with you; that is largely caused by the modern equipment they are installing, the equipment they purchased at the time they took the road over was not fit to be in operation.

Q. You think as these cars become worn the accidents will increase? A. To a certain extent. I have watched the employees various times and they have trouble with the air equipment and you cannot expect the motorman and conductor on a street car line to be familiar with the operation and working of the air apparatus. I have railroaded pretty nearly all my life and I have had charge of nearly every road terminal here and I understand air equipment.

Q. Do the men working on one-man cars receive higher pay? A. No, they do not, but they take that work in turns, I believe it is harder work.

SIR ADAM BECK: What do they pay the men on the Windsor and Essex line, that runs into the City here? A. I believe, Sir Adam, they pay them 45 and 47¢, I know it is a lower rate than you are paying.

MR.ROBERTSON: If there is a leak in the air that lets the doors open automatically. In connection with accidents, records for 13 companies last year in the United States, operating one -man cars and two-man cars, on the one-man cars 18,022,899 miles were operated as against 13,868,097 two-man car miles and the one-man cars carried 25,197,000 passengers and the two-men cars 8,000,000; the number of accidents on the one-man cars

were 6,852 and on the two-man cars 7,981.

MR.HOOPER: I have statistics that I received from some of the States of the Union and there are a few of them that I will leave for you to look over. That is my opinion, that the one-man cars should not be operated in a thickly populated section of the City, they are all right in certain localities but they should not be on the Sandwich or the City of Windsor lines.

MR.GABY: They are operating the one-man cars on Bloor Street in the City of Toronto. I think the one-man cars are all right but when you get down to a two minute service you must use two-man cars. We have purchased a number of two-man cars that will hold about 54 passengers. They are what are called one-man two-men double truck cars. During the rush hours they are operated as two-man cars and during the other hours they are operated as one-man cars.

A. W. STRONG.

TO THE CHAIRMAN:

Q. What do you know about the railway? A. I have been living in the City for 15 or 16 years during the operation of the old system and the new. I think the present system is a vast improvement over the old; in my opinion it is perfectly satisfactory. There are some things that we should have that eventually we will get. I say we are not satisfied with it, I suppose people are not satisfied with me as a member of the Windsor City Council and we are not satisfied with our Government or our Police Department.

Q. Why did they put you there? A. That is the idea.

TO COMMISSIONER HANEY:

Q. Will you ever be satisfied? A. Never, I believe I have criticised the Hydro Commission at times, owing to the fact that I got criticism myself for what we were giving and we have got to hammer the other fellow, nevertheless it will be impossible to ever give the people all they want.

Q. Have you any suggestions as to improvements which they might make? A. What comes more into my mind is the people in the south-eastern section of the City. I believe they are suffering more than anybody at the present time. They put in trackless trolleys up there, they did not relieve the situation at all. It might be all right, they work fairly good in summer but when you get heavy streets in the winter,and I live half a block from where they pass, and I say they do not work at all. Of course it was only as a relief measure that they were put in. On the other hand these trackless trolleys run down Erie Street and the passengers must transfer to the Ouellette car and that should not be the case. I think the trackless trolley should turn on the other street and go up and they should have a more frequent service. People have to stand in stormy weather ten or fifteen minutes waiting for the Ouellette car. These are all conditions, I suppose, that will work themselves out in time. I believe that the municipalities should appoint this Joint Committee to deal with the problems as they come up.

Q. Would that have a good effect? A. It will have a good effect.

SIR ADAM BECK: You do not hesitate yourself when you see anything wrong to go to the Superintendent?

A. I do not, I have gone to him a number of times and I have got results through it too.

Q. This is not your first year as an alderman?

A. No, I have been an alderman for four years.

Q. Are you received in a responsive mood? A. Yes, friendly, I was Chairman of the Light and Heat Committee this year and they have control over the lights and any time I have asked for any improvements I have got them. I will say Mr.Perry is a prince, in my opinion, and we find all the officials ready to do anything that is humanly within their power. There is one thing that I can take a crack at Mr.Fairlie about. The people petitioned for a pavement on Ottawa Street and that was one place where the Hydro Commission held up up. We could not get an understanding from them whether they were going to track that street or were not. They would not tell us and the street was in a deplorable condition. If they had told us they eventually would fix it up we would have paved both sides and left the centre to put the tracks in. They would not tell us and they left the people on that street in bad shape and we eventually paved the street and left a section open which is a little lake the way it is.

SIR ADAM BECK: There is a good reason for that, we were held up by the Government.

THE WITNESS: I was going to come to that; I do not believe the Commission is to blame for a lot of things that are put on them.

TO THE CHAIRMAN:

Q. Do you think so? A. I actually do, I believe if they were allowed the money to put in improvements that the City of Windsor and other municipalities want, we would have them today.

Q. What do you think about the red tape? A. That is in all corporation, much of it can be removed. In my opinion it takes too long to get what should be taken care of in a few days.

SIR ADAM BECK: Do you find our officials try to get away from the responsibility and to put the responsibility on somebody else? A. No, they have been absolutely willing to bear their responsibility. We are not satisfied but we hope to get what we want in the course of a little time, they cannot do everything in a couple of years, handicapped as they have been.

EX MAYOR TUSON, Windsor.

I was partly instrumental in introducing Hydro into Windsor with the two present Commissioners, later on in 1918 when I was elected Mayor I went with the City Engineer and one or two aldermen from one part of this district to the other where these lines run advocating the submission of a bylaw of the various municipalities to take over this road and have it operated by the Hydro System.

TO THE CHAIRMAN:

Q. What rates did you promise the people? A. There was no rates promised; it was promised to be run, as far as I recall, upon a cost basis. We found the people very much enthused over the matter. They were pretty much tired of the old system which had been allowed to run down. Mr.Anderson could not do very much in keeping the system up because the City would not permit him to and I suppose the object was to have it municipally owned or controlled and operated by the municipalities.

I have listened today to the extensive evidence given here. Of course I am an Hydro enthusiast. I have been in business 22 years and have seen a lot of varied life and I can realise that perfection will not be required on earth here by the Hydro or anyone else. I feel that we have had criticism throughout the last year. I was a member of last year's council and Chairman of the Transportation Committe. The intimation that went down to the Hydro office was not always unanimous and I think the records will show that. I, for one, always took the stand that the engineers and those in control of operating the Hydro system were men who were much more capable of controlling that system than we were. I would never have gone through these various municipalities to have this system taken over and operated by the municipalities. For one reason I found out by extensive investigation that municipal lines were not a success in many parts of the States, because politics is liable to creep in but when I knew it was going into the hands of an impartial body, a non-political organization,

I did everything I could to advance it and I have never regretted it personally. I could sit here and tell you of various little things that might be done but I think it would be wasting your time because I think the management of the railway is quite capable of carrying out these suggestions. I hope to have the privilege of working in conjunction not only with the management but also take up suggestions that have been made, with the other municipalities so that we might co-operate. the Hydro have had ~~an~~ uphill work. Not belittling anything that Mr.Anderson said here I want to say that they took over a defunct railway that had been allowed to go almost to scrap and they had to rebuild it. The service has been improved wonderfully and I believe it will continue to be so. Once in a while we hear a little complaint about the one-man cars. I was out to the Detroit Municipal Yards and I can tell you they have a lot of one-man cars in Detroit and they are being operated now in the streets and I have yet to be satisfied that they are not satisfactory cars.

I think the greatest trouble Hydro will find is their loop down here at the Ferry Dock. I feel that the time is almost here when they will have to extend that loop,probably take it over to London Street, just ablock or so over, or over to Chatham Street or make the terminus at London or Ouellette Avenue,one of our main thoroughfares. There are too many cars growding around that loop but that is not the immediate fault of the Commissioners as I can see. I might stay here for half an hour and recite my experience. I have nothing

but the kindliest feeling for the Hydro but I want to say that in the southern part of our city we are ten years behind in transportation matters. If the Hydro has not got the money they cannot do the work but there should be a better service given in that part of the City. The buses are all right enough but I am not very favorably impressed with them, they are a make shift but we must have more trackage to take care of the southern part of the City because it is developing and it is the only way we can grow, south-east, and if we do not have a service out around the Tecumseh Road, I do not think any bus system will ever meet the requirements. We are permitting several buses to operate now in that direction, private buses and some of them are charging as high as 10¢ but they are only a make shift and it seems to me that we will have to have money to construct these new lines that we require. I believe the management of the road are quite capable of carrying out these ideas and they are willing to co-operate with us in every possible way. I do not know where you can find a body of men more courteous and more desirous to meet the demands of the public and although there has been some adverse criticism, yet the evidence has been very much in their favour. I have been in the Council for six years and was Mayor for two years and I came up through these things and I can only say in fairness to them that I think under the circumstances everything is being done that can be expected under the prevailing conditions. I do not know whether we paid a big price for the road;

I am inclined to think tonight we did. I was over in Detroit three times trying to dicker for this road before I went out of office and they were willing to sell under certain conditions but when I found what they wanted considerable extra for what they called "a going concern" I backed out and the deal did not go through. I think the Commission bought the road as cheap as they could; I think the franchise was the great value of the road, it has been shown here that a great per cent of the road had to be scrapped.

Q. When did the franchise expire? A. In two or three years, 1922. It had expired on certain lines before that and some of it did not expire until 1930, depending on the municipality. In Walkerville it went on until 1932 and other parts of the line had expired. Things were rather chaotic in that respect. They had a perpetual franchise in the southern part of the county and the whole thing was very complicated.

SIR ADAM BECK: What did they ask you for the road?

MR. TUSON: A little more than you paught it for but they wanted the earnings for a year hence and I was told afterwards by a logal man that they were entitled to that percentage for the year. When Mr. Anderson was quoting figures here I noticed he did not say anything about paying 4½% on $2,000,000 which would have made a big deficit in his receipts.

TO THE CHAIRMAN:

Q. What do you think about a Joint Advisory Committee with a representative from each municipality?

A. The spirit of co-operation has been quite prevalent in the last year or so, it was quite evident in the filtration vote that took place recently and I think the idea would be a splendid one, provided we did not get the Committee too clumsy. I do not think a large committee is good, I have found that two or three men can do much more than five or six. I believe if we would discuss ways and means of improving the service it might then be brought before the Committee and they might finally arrive at something that might be for our mutual benefit. I believe in the skip system on some of these narrow [illegible]. streets.

Q. The municipalities have a very large interest in this road? A. Yes, we have. I believe the service is the paramount question and it is not so much a fraction of a cent in the fares. I was told that coal cost last year $5.25 and now they are paying $10.25 this year. The cost of certain things have fluctuated very much. The people want service and they will not complain about a little addition in fares. The big point to me is not so much whether the cars congest on the lines, We are operating now, I believe that can be regulated by the Superintendent of the road, that is a matter for him to deal with. In these Border Cities we are growing 10,000 or 20,000 in population a year and to ask people to walk half way down town before they can get a car is not right because they have to carry baskets and things to market and we have tried to take care of them with buses.

SIR ADAM BECK: You know that one reason why we did not extend the tracks was on account of the high

cost of steel and labour and money, the coming year we will be able to meet these conditions? A. I quite agree with you. I still feel this way, that Hydro is not particularly to blame for this. I remember Mr.Anderson wanting a ten year franchise to extend the tracks along Erie Street and we said, "No, build your tracks" and he said, "We cannot sell our bonds without a franchise" and I understand the whole railroad was financed on a few dollars at the beginning and that it paid no dividends but their earnings that they took in have been put into the road and they finally have taken out $2,000,000. I still feel that one of the greatest things that comes before the Commission is service in the southern part of our City which is growing very, very fast and it is hard for us to meet the people out in that district with the present unsatisfactory service and if there is any way in which a few miles of tracks can be built I think it should be done.

SIR ADAM BECK: We can easily build more track and buy more cars but then the Committee would sit here and say we have a deficit and we would have to take $20,000 or $30,000 out of the taxes. We have got to be very careful? A. How do you propose getting additional capital.

SIR ADAM BECK: If we put the fares up too high the people will walk and when they start to walk they find it is very beneficial to their health and they keep on walking and they get the walking habit instead of riding and we want them to have the riding

habit but if the fares are high we lose their patronage.

THE CHAIRMAN: What is there to prevent the City of Windsor putting up some money to build these tracks?

SIR ADAM BECK: They are putting it all up.

THE CHAIRMAN: To build these lines and putting the money up directly.

SIR ADAM BECK: They are doing it direatly now, instead of selling half a dozen bonds or the bonds of nine municipalities one at one rate and another at another we deposit their bonds with a trust company and we sell our bonds and we get cheaper money in that way.

THE CHAIRMAN: If the City wants some other lines that you cannot see your way clear to build would it be all right for them to put up the money?

SIR ADAM BECK: No, I do not think that would do at all. Somebody has got to pay for it and the City of Windsor would be charged with these bonds. We cannot help Windsor and discriminate against Ford City and other places. If you want us to build lines we will propare an estimate and show the public that in building these lines there might be an enormous loss for a good many years and we could not justify their being built and when we cannot show the line is justified from a financial standpoint it becomes a serious matter because we would be penalizing the people in the other municipalities. We do not expect these lines to pay at once but in some reasonable

time and that is why we put the trolley buses on to develop the territory and then we will spend additional money to put down the rails. We are only too glad to have your advice and we are always ready to receive requests as to any improvements that can be made. They say we are too anxious to spend the money and the whole substance of your complaint has been that we are not spending sufficient money and as we have been charged with spending too much money it is refreshing to come up here and hear that we are not spending enough.

COMMISSIONER HANEY: What do you think about it yourself?

SIR ADAM BECK: If any of the money we have spent is a burden on the taxpayers all I can say is that it has not materialised yet, unless it is in connection with this depreciation that the Chairman thinks we ought to put up.

THE CHAIRMAN: I do not like to see you take it back again after you had put it up.

SIR ADAM BECK: We have not taken it back, we never had it.

---Adjourned at 12 o'clock midnight sine die.

Page 2463 follows.

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